JPRS-SSA-86-012

28 January 1986

Sub-Saharan Africa Report

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SUB-SAHARAN AFRICA REPORT

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INTER-AFRICAN AFFAIRS

LDC EXPERTS CONDUCT MEETING ON EDUCATION

Addis Ababa THE ETHIOPIAN HERALD in English 10 Dec 85 pp 1, 3

[Text] Nazareth (ENA)--An inter-governmental meeting of experts from Least Developed Countries on decentralized planning and people's participation in the general provision of education in rural areas got under way here yesterday.

Taking part in the week-long meeting are experts representing Socialist Ethiopia, Tanzania, Zambia, Somalia, Botswana, Lesotho, Nepal and Bhutan. The meeting is also being attended by representatives from eight countries, as well as of UN agencies residing in Ethiopia and a representative of Mr Mahtar M'Bow, Director General of UNESCO.

At a meeting preceding the actual parley, Ethiopia was elected Chairman and Lesotho and Bhutan as vice-chairmen.

Comrade Bililign Mandefro, member of the CC of the WPE and Minister of Education, said when opening the meeting yesterday that tremendous efforts have been made in post-revolution Ethiopia to bring the benefits of education within reach of the broad masses of the people. In the promotion of mass literacy, he pointed out, structures have been evolved to place responsibility on the local communities to organize programmes at the village level. Attempts have also been made to integrate educational activities in the work of multi-sectoral development committees, while mechanisms have been evolved for the translation of general curricula into local action, it was noted.

The Minister stated that during this period the environment for education has also changed radically and in ways which relate closely to the central purposes of the meeting under way. "We are now talking of education in a revolutionary situation," he pointed out. "Of great significance in the process of change initiated by the Ethiopian revolution has been the implementation of the law of land reform, which heralded the demise of an outdated feudal regime and which also included the formation of peasants association."

He said there was also a clear enunciation of a political will for the rapid spread of education to all.

Mr P.R. Rakotomalala, representative of the Director General of UNESCO said on the occasion that one of the major obstacles to the generalization of education and the eradication of illiteracy is obviously of a financial and economic nature.

One message is clear, however: problems and obstacles are not all of a financial nature, although sometimes, the resources including financial ones are not always used in the most fruitful way, obstacles may also be very much so of a social, economic, political, psychological, traditional, cultural, technical nature, and it may be said that the poorest of all are not necessarily the least innovative or the least resourceful, said the representative.

He said that the aim of the meeting is to draw a good deal of useful exchange of experiences and cross fertilization of ideas beyond national and regional boundaries and to produce direct feedback to the countries concerned, in addition to providing advice and guidance for future action to the Director General.

Speaking on behalf of the Director-General of UNESCO, Mr Awad Idris, UNESCO representative in Ethiopia and Liaison Officer with ECA and OAU, thanked the Ministry of Education of Revolutionary Ethiopia for hosting this meeting of experts from LDCs on the subject of decentralized planning, people's participation and the general provision of education in rural areas.

Underlining the importance of education, Mr Awad Idris said that education has to aspire to find concrete and urgent solutions to five major issues: the development of skills and their relevance; mass participation in education and development; education and equity; increasing efficiency; and improving the management and planning of education services.

It is to be recalled that the literacy campaign and rural education programmes of Revolutionary Ethiopia were praised as exemplary during the previous UNESCO meetings held in Dakar and Arusha. (ENA)

/9317
CSO: 3400/787

CHAD

GOOD COTTON CROP THREATENS ECONOMIC RUIN

AB020815 Paris AFP in English 0747 GMT 2 Jan 86

[Text] Ndjamena, 2 January (AFP)--Cotton is Chad's prime foreign exchange source and the latest harvest was a good one, but paradoxically it threatens to ruin the economy in the short term.

The economy has been badly weakened, after years of civil war, by 1984's terrible drought. The dilemma is that this season's crop of 130,000 tonnes of seed cotton faces depressed prices on the international textile market. The current world selling price for a kilo of the fibre ginned from the cotton seed is around 400 CFA francs (slightly over a dollar), but the local processing cost is 580 CFA francs per kilo.

Cottonchad, the state marketing agency, says that accordingly, this year's 45,000 tonnes of fibre will entail carrying a deficit of 9 billion CFA francs (about 22.5 million dollars)--which corresponds to half the revenue the government forecast in its latest budget issued here Tuesday.

The budget, which includes provision for 60 percent pay raises for the civil service, incorporates a deficit of 3 billion CFA francs, which the government has committed itself not to go over. That means Cottonchad's subsidies required for marketing the cotton it has already bought from the growers cannot be carried by the state, officials said.

President Hissene Habre raised the issue last month at a conference in Geneva of aid donors, and the World Bank and France undertook to look for a solution, reliable sources here said.

Not only does cotton account for 50 percent of Chad's foreign exchange earnings, its production is one of the main local money-spinners for the populace, particularly the 3 million people in the southern cultivating region.

Cottonchad officials ascribe the crisis on the fibres market to China's intervention at a time when world production of 88 million bales has soared 25 percent above the record of 70.5 million set in 1981/82. China holds 40 percent of world stocks.

/12232
CSO: 3400/805

BRIEFS

PRISONERS PARDONED--Moroni, 1 January (AFP)--A total of 58 prisoners--32 political and 26 common law prisoners--were granted pardon Wednesday following a grace measure announced on Tuesday by Comoros President Abdallah Abderamane in his New Year's message. The full list of the prisoners released on Wednesday has not been released. It is, however, believed that several of those condemned early in November following the trial of persons involved in the coup attempt of 8 March 1985 were also given presidential grace. Seventeen persons including Moustapha Said Cheikh, secretary general of the banned Democratic Front, were sentenced to life imprisonment. Another 3 were sentenced to 8 years in detention, while 39 were sentenced to prison terms ranging from 1 to 5 years, and 8 to prison terms ranging from 7 years to 22 months. [as received] [Text] [Paris AFP in French 1348 GMT 1 Jan 86 AB] /12232

CSO: 3400/795

SOMALIA-RSA 'ARMS DEAL' SCORED

Addis Ababa THE ETHIOPIAN HERALD in English 11 Dec 85 p 2

[Editorial: "An Act of Betrayal"]

[Text] Mogadisho's arrogant policy of expansionism and aggression against neighbouring countries is surfacing anew with the conclusion of an arms deal between Somalia dictator Siad Barre and the foreign minister of the Pretoria regime, Pik Botha. The latest news carried by the Transafrica newspaper disclosed that, according to the negotiated deal, the racist Pretoria regime would deliver a quantity of arms and military equipment to Somalia in exchange for landing rights to South African Airways at Mogadisho. It was also revealed that the deal includes training of Somalia's military and intelligence personnel by South African military advisors and technicians. Quoting Agence France Press and other news sources, the paper said that the Pretoria regime has been supplying Somalia with military assistance in exchange for landing and other strategic rights.

The Siad Barre regime surely stands to be condemned and ridiculed for having signed a negotiated military deal with the racist regime in Pretoria at a time when the international community is stepping up efforts for the continued isolation of the apartheid regime with a view to forcing it to abide by international rules and regulations. In strengthening its ties with the racists, the ruling clique in Mogadisho is once again exposing its motives to seek selfish interests against the will of the African peoples and the charter principles of the Organization of African unity (OAU). No other act is more shameful for Somalia, a founder member of the OAU, than to ignore the Organization's repeated calls not to enter into any agreements whatsoever with the internationally ostracized racist regime in South Africa. On the contrary, the Barre regime chose to ally itself with the arch enemies of Africa as part of the former's repeated acts of betrayal and sell out of the African cause. The conspiracy being hatched by the racists in Pretoria and the expansionists in Mogadisho poses a grave threat to the peace and stability of the countries in and around the Horn of Africa. What is more, ties between expansionist Somalia and racist South Africa no doubt represent a threat to the security of member states of the OAU as a whole.

The apartheid regime in South Africa has been repeatedly denounced at the United Nations, the Organization of African Unity and the Non-aligned Movement for its persistent refusal to heed demands by the international community asking it to put an end to apartheid which has long been rejected by the UN as a crime against humanity, and also to terminate its hold over Namibia. It is to be recalled that the July OAU Summit in Addis Ababa passed resolutions to the effect that member states of the organization must act in unity to confront the present situation in Southern Africa and reiterated full support to the liberation struggle in the south of the continent. Under the circumstances, Somalia is duty bound to respect the decisions of the United Nations, the Organization of African Unity and other international bodies. Failure to do so is tantamount to turning a deaf ear to the decisions of international organizations.

Indeed, latest developments, especially Mogadisho's signing of a military deal and other pacts to grant Pretoria a military base in southern Somalia and the holding of Pretoria-Mogadisho negotiations on civil aviation and other commercial ties have once again brought to the fore the opportunistic nature which has long characterized the Siad Barre regime. Independent Africa in general and Somalia's neighbours in particular, view with utmost concern Mogadisho's collaboration with the racists, particularly in the military sphere.

Socialist Ethiopia's policy is as clear as ever. Our country always seeks to establish close co-operation with all the peace-loving countries of Africa, Asia and Latin America and in other parts of the world on the basis of mutual respect. Ethiopia remains ever committed to support national liberation movements and progressive forces dedicated to the struggle against imperialism, neo-colonialism and racism. All measures to strengthen close ties and dynamic co-operation with sister African states are being undertaken. And the people and government of Socialist Ethiopia are sparing no effort to foster spirit of good neighbourliness and mutual respect among states. It is sad that such a policy of friendship and good neighbourliness is not at all observed by the authorities in Mogadisho.

The United Nations and the Organization of African Unity are further urged to consider the implications of the Mogadisho-Pretoria collaboration which poses a threat to peace and security both at the regional and international level. Indeed the Pretoria-Mogadisho collaboration is a plot against Africa and certainly stands to be condemned.

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CSO: 3400/787

ALEMU REPORTS ON ANGOLAN PARTY CONGRESS

Addis Ababa THE ETHIOPIAN HERALD in English 15 Dec 85 p 1

[Text] The Second Congress of the Workers' Party of the Popular Movement of Angola (MPLA) was concluded recently after assessing the stage of the Angolan Revolution, examining the party's rules and regulations and its programme as well as adopting numerous resolutions focusing on the economic, political, social and defence policies of the country.

This was stated by Comrade Alemu Abebe, member of the Political Bureau of the CC of the WPE and Chairman of the Central Control Commission, on his return here after attending the Angolan Party Congress.

Comrade Alemu said that the MPLA Congress has passed resolutions that would meet the needs of the working people of Angola and that would speed the development of the country in all fields. The Congress which is held every five years has discussed the party programme and policy with the view to further strengthening the party leadership, said Comrade Alemu, adding that it also admired the guidance of Comrade Dos Santos who follows the steps of Comrade Augustine Neto in the task of party construction and carrying on the revolution.

The delegation of the CC of the WPE has expressed the solidarity of the WPE, the Revolutionary Government and the people of Ethiopia for the Angolan workers party and the people and government of the People's Republic of Angola, said Comrade Alemu, adding that the delegation was able to have greater understanding of the situation in Angola and on the party's activities in the course of the Congress.

Comrade Alemu further noted that the delegation had taken the opportunity to explain to party officials at the Congress on the close relations between the WPE and the parties of the Soviet Union, Cuba, Nicaragua and Kampuchea as well as other countries, the efforts which the WPE is making to overcome the drought problem and to ensure the success of the relief services and rehabilitation programme and the endeavours for the realization of the People's Democratic Republic of Ethiopia.

The delegation headed by Comrade Alemu was welcomed at the airport by Comrade Shimelis Mazengia, member of the Political Bureau and Secretary of the CC of the WPE. (ENA)

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ETHIOPIA

UNICEF RATES ADDIS TOPS IN IMMUNIZATION EFFORT

Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 pp 1, 4

[Excerpt] Addis Ababa is the first city in Africa to achieve a high coverage of effective immunity against several key diseases reaching to nearly 90,000 children under two years of age.

This was disclosed here yesterday by Dr R. Padmini, representative of the United Nations Children's Fund (UNICEF) in Ethiopia, while giving a press conference on the activities of the Organization in the country.

In the press conference held at the National Children's Commission, Dr Padmini noted that the 1986 state of the world's children report discusses the immunization advances many countries had made both in results and in methods. Ethiopia's effort to tackle the task of immunizing the capital's children is also reviewed in it, Dr Padmini said.

Dr Padmini stressed that the methods used in the effort had been examined in the report as are those in other places in the world.

Dr Padmini underlined that important advances had been made in low-cost technical methods and mentioned Ethiopia's achievements in mobilizing the community and the media.

The social mobilization occurs when a community or the policymakers and authorities or the media, or better still, all these together, take up a cause and make it their own, said Dr Padmini, adding that in this connection, the Ethiopian Literacy Campaign serves as a good example.

The UNICEF representative further noted that in the capital, all the channels of mobilization including the party, the mass media, the literacy groups, the mass organizations and the city officials joined hands with the immunisers and the health personnel to bring about the success story.

Attempts were simultaneously made, said Dr Padmini, to attack another major killer of killer of young children--dehydration due to diarrhoea.

The UNICEF representative further said that in drought affected areas, especially in the camps and shelters, the same techniques of Oral Rehydration Therapy (ORT) and immunization were helping to rescue young children on the precarious edge of death.

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CSO: 3400/787

TRANSPORT COORDINATING COMMITTEE COMMENDED

Addis Ababa THE ETHIOPIAN HERALD in English 10 Dec 85 pp 1, 6

[Text] The services provided during the past Ethiopian year by the Transport Coordinating Committee under the National Disaster Relief Committee with the support and cooperation of the Ministry of Transport and Communications, the Relief and Rehabilitation Commission and other government agencies and organizations concerned were highly commended here yesterday.

Comrade Fisseha Desta, member of the Political Bureau and Secretary of the CC of the WPE and Chairman of the Transport Coordinating Committee, said yesterday at a meeting attended by heads of various public transport agencies under the Road Transport Authority and the National Road Transport Corporation, various individuals involved in road transport as well as owners of heavy duty trucks and technical experts, that the role and services of the Transport Coordinating Committee was most worthy and one never witnessed in Ethiopia's history.

Comrade Fisseha noted in the course of directives given at the meeting that the commendable services provided in the transport sector during 1977 E.C. in line with the directive given by the Political Bureau of the CC of the WPE and spoke of the responsibility awaiting the participants in future. He said the Committee had during the period under review ferried 1,165,919 tons of food aid and goods and 832,691 tons of other supplies from Assab, Djibouti and Massawa to major depots by road, air and rail. He also pointed out that 789,000 tons of food supplies and goods were transported from the main depots to relief centres.

In addition to that and with the help of the vehicles deployed in the five zones 4,065,823 tons of freight was ferried between October 11 and November 10, 1983, said Comrade Fisseha, adding that 539,159 compatriots were moved from drought-hit areas to fertile regions.

Comrade Fisseha also noted that 221,905 campaigners from institutions of higher learning who helped in the rehabilitation programme as well as 4,517 cadres were transported during that period.

Recalling that certain problems were encountered during the launching of the programme, Comrade Fisseha said a notable effort was made to rectify these problems.

He thanked the various government agencies, organizations and individuals who assisted in transportation endeavours to make the programme a success and those donor governments and organizations which helped by providing cargo planes and vehicles.

A total of 90,000 tons of relief supplies and food grain was also moved from the Assab Port within 18 days as a result of the initiative taken by domestic donors, government organizations and individuals who mobilized their vehicles to ease the congestion at the Assab port.

Although the efforts made in the transport sector are quite encouraging, Comrade Fisseha emphasized that further effort is required in order to implement the decisions of the Third Plenary Session of the CC of the WPE which call for the transporting of relief supplies to drought-affected compatriots, the rehabilitation programme, the transporting of domestic production and the ferrying of relief supplies from the ports.

He also underlined that priority has been given by the Revolutionary Government to ensure the availability of the necessary spare parts and tires.

Comrade Fisseha earlier yesterday visited the National Road Transport Corporation, the Freight Transport Enterprise, the Spare Parts Importer and Distributor Organization as well as the Asmara bus and freight maintenance private compnay, where each manager briefed him on their respective organization's daily activities.

Present during the visit was Comrade Asegid Wolde Amanuel, Deputy Minister of the Ministry of Transport and Communications. (ENA)

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CSO: 3400/787

ETHIOPIA

HORO-GUDRU PROVINCE DEVELOPMENT ACTIVITIES REPORTED

Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 pp 1, 4

[Text] Nekempte (ENA)--Horo-Gudru province, where over half a million people live, is one of the most fertile provinces in Wollega region.

Benefiting from the opportunities bestowed upon them by the revolution, the inhabitants of the province are making positive contributions towards the on-going economic construction endeavour in their own area in particular and that of the country in general by translating into deeds the decisions of the WPE and the Revolutionary Government through the mass organizations under which they have already been organized.

Forty peasants producers' cooperatives have been organized and are vigorously operating, in line with the programme adopted by the WPE to build socialist economy in rural Ethiopia.

The fact that their capital has reached to over one million birr within a short time as a result of their joint endeavours is clear evidence of their hard work and efficiency.

There are 85 service cooperatives embracing 477 kebele peasants associations which are at present offering exemplary basic services to their members.

Over 2,940 families have been resettled in four peasants producers' cooperatives in line with the villagization scheme.

Development projects such as the Fincha hydro-electric power station and the Amerti electric light power project are also found in Horo-Gudru province.

The Fincha sugar project is also expected to become operational soon, since the sugar-cane plantation covering ten hectares has shown commendable result.

Confident of its natural endowments and resources, the province is offering a resettlement haven to 27,028 compatriots who were moved there from drought-hit areas.

In pre-revolution Ethiopia, the province had only 15 elementary schools which at present have grown to 78, while the number of junior and senior secondary schools have grown from one to two respectively, while the number of students and teachers has also increased by leaps and bounds.

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CSO: 3400/787

ETHIOPIA

BRIEFS

ALL-AFRICA TRADE EXHIBITION--Revolutionary Ethiopia was declared among winners at the fourth All-Africa trade exhibition held in the Togolese capital at Lome recently. Comrade Andualem Tegegn, Head of the Planning and Trade Division of the Ethiopian Chamber of Commerce and coordinator of the exhibition, told reporters here yesterday that 30 African countries and five international organizations as well as various trade organizations in Togo took part in the display. Revolutionary Ethiopia was represented at the exhibition with industrial, agricultural and handicrafts products, Comrade Andualem said, adding that Ethiopian wine and skin products drew particular attention. The exhibition is reported to have been visited by over 500,000 visitors during the 2-week show. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 14 Dec 85 p 1] /9317

AUDIT COMMISSIONS' MEETINGS--Third regular WPE Audit Commissions' meetings are presently in progress in various administrative regions. The Addis Ababa, Shoa, Wollega, Bale, Gondar, Hararghe, Arssi and the Assab provincial administration Audit Commissions were those attending the parley. Wide ranging discussion are being conducted on reports submitted on the activities of the commissions during the past six months. The meetings, after reviewing activities made during the past six months, chart plans for the coming six months. Members of the WPE Audit Commissions are being briefed on financial administration and property upkeeping, bookkeeping as well as on ways of effectively implementing the action programmes for social development and on their role in the establishment of People's Democratic Republic of Ethiopia (PDRE). (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 14 Dec 85 p 1] /9317

GRANARY BUILT--Mekele IENA)--A grain store and a garage, built jointly by the Ethiopian and the International Red Cross Societies at a cost of 15,000 birr were opened here yesterday. The new facilities were inaugurated by Comrade Mamo Bihil, Chairman of the Makele Town Council and head of the town. It is to be recalled that the International Red Cross Society had set up a clinic here last year at a cost of 250,000 birr. [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 p 5] /9317

KEBELE FACILITIES INAUGURATED--Facilities including offices, a kindergarten, an auditorium and a recreational centre built by kebele 17 of Higher 17 Urban Dwellers' Association (UDA) was inaugurated here yesterday. The facilities, which were constructed at a cost of 100,000 birr, were inaugurated by Comrade Gessit Techane, First Secretary of the SPE Committee of Zone Three. Comrade Belayneh Asfaw, Chairman of the kebele, reviewed on the occasion the development programmes which the kebele office is carrying out with the participation of the residents. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 15 Dec 85 p 1] /9317

TRIP TO BLOC--Favourable conditions for close cooperation in all fields have been created between the Workers Party of Ethiopia (WPE) on the one hand, and the Hungarian Workers' Party, the Czechoslovak Communist Party and the United Workers' Party of Poland on the other as a result of joint action programmes charted and cooperation agreements reached recently. This was noted in a press statement given by Comrade Ashagre Yigletu, member and Secretary of the CC of the WPE, at Bole International Airport upon his return here from a working visit to three socialist countries leading a delegation. Comrade Ashagre said that the two member delegation had gathered valuable experience during talks with party officials of Hungary, Czechoslovakia and Poland and had conducted fruitful discussions on bilateral relations and international issues. Comrade Ashagre pointed out in this connection that the delegation had signed agreements and future programmes of action to further strengthen WPE's relations and co-operation with the parties. These agreements will further strengthen the efforts which the WPE is making to enhance its ties and relations with socialist countries, said Comrade Ashagre, adding that the relations had been developing since the formation of the WPE based on agreements signed and the ideological unity between Revolutionary Ethiopia and the fraternal socialist countries. The delegation led by Comrade Ashagre was welcomed upon arrival here by Comrade Embibel Ayele, member and Secretary of the CC of the WPE and ambassadors of the three socialist countries. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 15 Dec 85 p 1] /9317

FREIGHT RELAY SYSTEM--Five to seven round trips are being made within a week by one vehicle since a relay system of freign vehicles has been adopted on the 882 km long Addis Ababa-Assab road. The National Road Transport Corporation said here yesterday that the new relay system has helped to decrease the time taken to transport freight direct from Assab to Addis and has enabled drivers to ferry loads within a day because of the period of rest they gained through the new system. The new relay system besides enabling mini-vehicles to transport large freignt, has also ensured the safety of government vehicles, while providing at the same time adequate rest to drivers. The relay takes place in Adaitu station where maintenance, hotel and communications services have already been made available. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 p 1] /9317

ELECTRIFICATION OF TOWNS--Over 40 towns have received electrification in the country in the past two years as a result of the numerous projects implemented by the Ethiopian Electric Light and Power Authority (EELPA). Twenty of these towns received electricity supply for the first time, the remaining 2 were using diesel engine for their source of electricity. The achievement is an outcome of projects carried out by EELPA in the past two years in Harar, Tana, Dessie, Wollayita Soddo, Arba Minch, Hager-Selam, Bore, Shoa and Melka-Worer. It was noted that foreign exchange had been saved while laying down transmission lines through the use of wooden in place of iron poles. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 p 1] /9317

REYA VOLUNTEERS--Members of the Revolutionary Ethiopia Youth Association (REYA) yesterday participated in voluntary labour services on weekends that will stay up to January 5 to commemorate the 11th anniversary of "The Development Through Co-operation Campaign," it was revealed by REYA. The participation of REYA members will take place in state farms, producers' co-operatives, factories and service organizations. They will also undertake sanitary campaigns in accordance with programmes designed by their communities, as well as carry out ventures related to relief activities. This is the second time that the Organization is deploying its members in connection with the anniversary of "The Development Through Co-operation." (ENa) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 15 Dec 85 p 1] /9317

AMERTI PROJECT PROGRESSING--The 70 million birr Amerti Project in Wollega region aimed at boosting the annual production capacity of the Fincha Hydro-Electric Power Station by 209,000,000 kwh, will be completed within a month. Felege Berhan, a paper published by Ethiopian Electric Light and Power Authority, disclosed in a special issue that the completion of the project comes fully six months ahead of schedule. The completion of the project brings the annual production capacity of the Fincha Hydro-Electric Power Station from 540 million kwh to 749 million kwh, according to the publication. The work involved included the laying of 1.6 kilometre underground tunnel to channel water from the Amerti River to the Fincha Dam. Forty million birr of the construction cost was secured from foreign sources and the remaining 30 million birr from the European Economic Community in the form of a long-term loan. (ENA) [Text] [Addis Ababa THE ETHIOPIAN HERALD in English 13 Dec 85 p 1] /9317

METEOROLOGY COOPERATION WITH USSR--An agreement to strengthen existing cooperation in meteorology between revolutionary Ethiopia and the Soviet Union was signed yesterday afternoon. The agreement focuses on improving methods of weather forecasting, developing and collection, exchange, and analysis of data and on ways of carrying out essential research into hail, drought, and maritime meteorology. [Text] [Addis Ababa Domestic Service in Amharic 0400 GMT 27 Dec 85 EA] /12232

CSO: 3400/805

KENYA

BRIEFS

MOI SEEKS FEDERATION--Kenyan president Daniel arap Moi said on December 6 he would like to see Kenya, Uganda and Tanzania in some sort of federation in the future if necessary, for better understanding among east Africa's people. He was speaking at the inauguration of Moi University at Eldoret, western Kenya. I.O.N.--This statement caused some surprise inasmuch as any political grouping of countries in the region seemed to have been abandoned with the break-up of the East African Community formed by those same three states. Since the Arusha summit of November 1983 which brought about the restoration of diplomatic relations between Kenya and Tanzania no east African leader has spoken of the possible relaunching of the EAC. Some observers see President Moi's statement as a sign of concern that a marxist regime will be established in Kampala under opposition National Resistance Army leader Yoweri Museveni. If so, a federation would be a way of limiting the effects of Kenya. Furthermore, such a grouping could only be headed by Daniel Arap Moi, being the senior president of the three states involved since the retirement of Julius Nyerere of Tanzania and the overthrow of Milton Obote of Uganda. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 12 Dec 85 p 5] /9317

CSO: 3400/769

BRIEFS

MINISTER ANNOUNCES INVESTMENT--Luis Alcantara Santos, minister of ports, railways and merchant marine, has said that $600 million will be invested in transportation and communications in the central region of the country during 1986. This was announced by Luis Alcantara Santos at a meeting of the Sofala Provincial Assembly in Beira yesterday. He revealed that this money will be used for rehabilitating and improving rail and port facilities, along the Beira corridor, which is the natural route for imports and exports of neighboring countries. [Text] [Maputo Domestic Service in Portuguese 0500 GMT 29 Dec 85 MB] /12232

REFUGEES IN ZIMBABWE DECREASING--The chairman of the Zimbabwe Red Cross Society, Comrade Byron Hove, has said the number of displaced Mozambicans entering the country is decreasing. Comrade Hove said the decrease follows the stabilization of events in Mozambique. He was speaking on the Zimbabwe Broadcasting Corporation's television program "The Nation" last night. Comrade Hove, who is also the ZANU-PF member of parliament for Gokwe East, said the Red Cross gathered food, clothing, and blankets from the public and donated them to the displaced people. He said the organization will soon begin a rehabilitation program in Masvingo to add to the existing one in Mutoko. One part of the program will involve educating people about diseases which cause disability. [Text] [Harare Domestic Service in English 0600 GMT 23 Dec 85 MB] /12232

CSO: 3400/796

INTERVIEW WITH PAUL HOARAU, CHAIRMAN OF COMITE DU PROGRES

Paris THE INDIAN OCEAN NEWSLETTER in English 14 Dec 85 pp 8-9

[Text] Paul Hoarau heads the Comite du Progres, a political think tank which has been trying for several years to promote closer ties between Reunion and its neighbours in the Indian Ocean. For over two years he has also been parliamentary secretary fo Wilfred Bertile the socialist deputy for Reunion in the French assembly. THE INDIAN OCEAN NEWSLETTER asked him to explain his ideas at a time when the admission of Reunion into the Indian Ocean Commission is being questioned (see I.O.N. No 204 and 207).

INDIAN OCEAN NEWSLETTER: Paul Hoarau, for many years you have been working for the greater integration of Reunion in the surrounding region. At the same time you defend the idea of Reunion as French territory and even European. How do you explain these two apparently conflicting notions to Reunion's neighbours?

Paul Hoarau: It has to be explained first to the Reunionnai themselves. It goes back a long way, to the time when the stance of the islanders and the French government was "The Indian Ocean has nothing to do with us." In contrast, the attitude of neighbouring states was, "Reunion is under French domination, and so is not free; it cannot be with us until independence."

From 1977 the Comite du Progres has pressed the point hard with the French government, the islanders and the countries of the region based on one principle: the right of people to decide their own destiny. We have explained that if Reunion is French it is because of that right. The results emerged in the 1980s. The French government was the first to break the deadlock when Paul Dijoud, President Valery Giscard D'Estaing's minister overseas territories, put forward the idea of regional co-operation in 1980. The decentralisation decided by the socialists in 1981 acknowledged local responsibilities further, and enabled progress to be made.

With Mauritius the development occurred in 1980 with a visit to Reunion by Jean-Claude de l'Estrac, who was responsible for foreign relations in the Mouvement Militant Mauricien before it came to power. He said then that his party favoured independence for Reunion but it was up to the islanders to decide. This policy was officially adopted by Mauritius with the election of the MMM, to be followed by Madagascar during a visit to Paris by President Didier Ratsiraka and finally by the Seychelles. It all culminated in the

Indian Ocean Commission in January 1985 in Antananarivo, recognising the principle of the admission of Reunion, a part of France, to the IOC.

I.O.N.--On this issue, the question of Reunion's representation in the IOC is still not settled. Do you support the idea of French representation through Reunion, or on the other hand that of Reunion as a separate entity?

P.H.--As long as Reunion is French, as a matter of sovereignty it is France which should belong to the IOC. That said, Reunion being in some ways a frontier region of France, for all the problems concerning the region specifically Reunion must be present. I think Reunion must be represented both by the Prefect and by the chairman of the regional council. The fact is that often, when Reunion is represented, only people from metropolitan France are there. That poses a problem not only to our neighbours but primarily to the people of Reunion.

I.O.N.--It must not be forgotten that France is also a world power, a nuclear power. It is understandable that this can cause a problem to the Indian Ocean countries in accepting it among them.

P.H.--This is true. As long as the image of Reunion as a conduit for France in the Indian Ocean remains in the mind, relations will be difficult as far as regional co-operation is concerned. The face of France in Reunion must become the face of Reunion alone. There is also another image, which is tending to disappear, but which has often mentioned by the island's deputy Michel Debre, of a Reunion envied by its neighbours. If that is dominant in regional relations there will certainly be hostility towards Reunion on the part of its neighbours. In recent years the Comite du Progres has tried to change these views, by saying that French Reunion is no longer a channel for France, no longer rich Reunion in relation to poor countries, but Reunion in the Indian Ocean and in solidarity with its Indian Ocean neighbours. This gives it the responsibility not to reflect the power of France over the region but to explain the region to France and France to the region. This also gives Reunion the responsibility of being the advocate to Paris and Europe of the Indian Ocean's development. It is totally in Reunion's interest to be at the centre of a region which is more developed than at present.

I.O.N.--Talking of images, there is one which is often mentioned, that of Reunion as a "shop window" for France in the Indian Ocean. Do you support this idea?

P.H.--It is a bad image, a colonial image. But it will disappear as the people of Reunion exercise wider responsibilities with decentralisation. The image of France in the Indian Ocean will then be increasingly the image of Reunion. But it is true, we are not there yet. We have still not got rid of the colonial mentality.

I.O.N.-- Do you think this "decolonisation" is possible without independence?

P.H.--For me, the decolonisation process is not over. But it can be achieved without independence. In any case, it can be begun without independence.

I.O.N.--Are you not afraid that political changes in France might prejudice certain achievements of regional co-operation?

P.H.--Not at all. A central authority, in this case Paris, has the same reflexes whether it is of the right or the left. I do not say the same language or the same intentions, but the same reflexes. The arrival of the left in power in 1981 brought great hope to Reunion and the region, which made things easier. But we realised, in Reunion and abroad, that when it was a matter of going from ideas to concrete facts we met the same difficulties.

I.O.N.--You took part recently in a symposium organised by the Centre des Hautes Etudes sur l'Afrique et l'Asie Moderne (CHEAM) on "Reunion in the Indian Ocean." Does this type of conference really lead to progress and concrete achievements?

P.H.--I think this type of symposium contributes much more than the festivals like that which was held in Perth, Australia, where "aborigines" put on a show and Europeans took the opportunity to make sentimental statements. A symposium like the CHEAM's, while less spectacular, certainly has an influence on the conceptions and action of those who decide.

There is the possibility of another CHEAM symposium next year in Reunion. An interesting theme for debate among the islands of the Indian Ocean and the countries of Africa's east coast would be decolonisation, in my view. Let each tell of its experience in this area, which would enable the people of Reunion also to give their own evidence.

/9317
CSO: 3400/769

REUNION

BRIEFS

BARRE GAINS SUPPORT--In a visit of nearly a week former French prime minister Raymond Barre gained some support in Reunion in advance of the parliamentary elections next March, playing on the fact that he originates from the island. Mr Barre, who has his sights on the 1988 presidential poll, spoke at two mass meetings and called on leaders of the opposition in Reunion to submit a joint list to the electorate. His call was apparently heeded by Andre Thien Ah Koon, mayor of Tampon, who accompanied Mr Barre almost everywhere and announced on the last day of the tour that he had agreed to be third on the list headed by neo-Gaullist RPR deputy Michel Debre, behind Jean-Paul Virapoulle of the centrist UDF. This does not suit some RPR members, especially Dr Pihouee who has been relegated to fourth place. For them, this list marks the suicide of their party in Reunion. The mayor of Tampon's decision has not made Paul Benard abandon his aim of going it alone. The senator and mayor of Saint-Paul cannot accept the number two place which Michel Debre has given Jean-Paul Virapoulle. In the face of such sniping, Mr Debre, himself a former prime minister under Charles de Gaulle, has decided to bring his own trip to Reunion forward two weeks from its original date of December 5. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 30 Nov 85 p 3] /9317

CSO: 3400/769

ARMY CHIEF WARNS OF ANTI-SADF CAMPAIGN

Cape Town THE ARGUS in English 12 Dec 85 p 7

[Text] A "vicious and well-orchestrated" propaganda campaign against the Defence Force has succeeded in "certain circles" according to the Chief of the Army, Lieutenant-General A.J. Liebenberg.

Speaking at the passing-out parade of several SADF officers who graduated from the Military Academy at Saldanha yesterday, General Liebenberg said confusion existed in the minds of some people as to whether the SADF, as part of the security forces, had the right to establish law and order in riot-torn townships or act aggresively against the "enemy on our borders."

"The Defence Force is under attack on a number of fronts. The enemy, for instance, is trying to undermine the morale of our soldiers by accusing them of being so-called instruments of oppression.

"The enemy also encourages resistance to national service among our young men and is trying to turn public opinion against the presence of soldiers in riotous townships--in short, the Defence Force has become a prime target of a vicious and well-orchestrated propaganda campaign.

"Let us not delude ourselves--in certain circles opinion is turning against us," he said.

He congratulated graduates on their academic achievements and presented the Sword of Honour, the academy's highest award, to Lieutenant M.R. Malan, this year's top student.

/9317
CSO: 3400/764

SWAZIS FOREWARNED OF ANTI-ANC ACTION BY POLICE, TROOPS

Johannesburg THE CITIZEN in English 28 Dec 85 p 3

[Article by Keith Abendroth]

[Text] The SA Police and Defence Force said in Pretoria yesterday afternoon that they had been involved in a joint anti-African National Congress action in Northern Natal near the Swaziland border.

However, a spokesman for the joint forces said that at no time had there been any violation whatsoever of Swaziland territory.

The spokesman said the Swazi police had been informed beforehand of the action in the Ingwavuma area on Tuesday. "There was by no means any incursion into Swaziland territory," the statement said.

Arms Cache

The operation had resulted from a previous ANC presence and the discovery of arms caches in the area.

The joint statement for the Defence Force and SAP was the third made from Defence Force headquarters yesterday after claims had been made by a Swazi police spokesman that South African troops had crossed the border and warned villagers to "get rid of" ANC members in the area.

In the first statement yesterday the Defence Force said it did not find any confirmation of the allegations and stressed that the Defence Force wanted to live in peace with Swaziland.

Then, a statement a few hours later categorically denied the allegations and this, in turn, was followed by a statement confirming the joint operation but denying that the border had been crossed.

Suspicion

The allegations reported from Mbabane yesterday were made by a Swazi police public relations officer, Mr Solly Mkhonta, who was quoted as confirming that South African troops had entered Swaziland and warned villagers to get rid of African National Congress members suspected to be in the area.

He claimed that Swazi people were told that if they did not do so they would be attacked.

Reports said that villagers now feared for their safety and some had fled their homes.

It was claimed that South African troops had crossed into Swaziland four or five times after a shooting incident three days ago when a man escaped across the border.

No further official comment was available in Pretoria yesterday on the claims.

Significant

But at unofficial level it is seen as "significant" that claims of so serious a nature were made by a relatively junior official and not by a senior government spokesman.

Sources say the claims could possibly be read in context with the fact that the debate on Lesotho's claims of South African interference starts in the United Nations Security Council on Monday.

Ammunition to be used in the debate included similar claims by Angola and Zimbabwe, while Mozambique is also hovering on the sidelines with anti-South African sentiments.

Commented one source: "I wouldn't be surprised if some of the other states came up with similar claims in the next day or two..."

Earlier this year, Swazi authorities rounded up several dozen ANC members who had entered the country illegally from Mozambique and deported them.

Swaziland signed a non-aggression treaty with Pretoria in 1982.

/9317
CSO: 3400/764

SOUTH AFRICA

NATION NEVER TO QUIT CAPRIVI STRIP

Johannesburg BUSINESS DAY in English 11 Dec 85 p 6

[Article by Richard Walker]

[Text] New York--SA "will never give up" its Caprivi air base, South African intelligence officers have told a visiting American journalist reporting for the Philadelphia Enquirer.

In one of the most extensive on-the-spot reports recently to appear in the US, correspondent Robert Rosenthal maintained that there was no evidence of SA plans to quit the rest of SWA either.

In a 1 100 km trip along the territory's northern border, "it became clear that the SADF is digging-in, making improvements and tightening security at military and air installations," he reported.

"More important, the South African army is going after the hearts and minds of the civilian population in a long-term counter-insurgency programme.

"From their Mpacha base in Caprivi, South African jets can reach the capitals of Zaire, Zimbabwe, Botswana and Zambia and fly over Angola," he noted.

"It gives them a reach into the heart of black Africa.

"Because of its strategic location, intelligence officers say SA will never give it up."

On the question of a South African exit from SWA, Rosenthal reported how an army intelligence officer laughed and then responded: "Whoever said anything about leaving?"

An army major told him: "The strategists have said that time is on the side of the revolutionary.

"Now we are saying time is on our side."

/9317
CSO: 3400/764

ARMSCOR CELEBRATES 21ST BIRTHDAY BY BOOSTING ARMS SALES

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 4

[Article by Joao Santa Rita]

[Text] Armscor has been celebrating its 21st anniversary with a boom, but how it is booming remains a closely guarded secret.

But, say Western arms experts, South Africa is now offering the international arms market about 170 types of ammunition, armoured vehicles, different types of missiles, mortars, long-range artillery and radio equipment.

"If they don't have it, it's because they don't need it and these days they need quite a lot," said a Western diplomat.

The chairman of Armscor, Commandant Piet Marais, said this week the lower value of the rand meant that South African arms were being exported in larger quantities.

Although Armscor refuses to divulge who its clients are, international analysts and experts agree that they come from countries ranging from the Middle East to Africa, across to South America and South-east Asia.

The highly mobile Ratel armoured vehicle is reported to have been sold to Morocco, which is involved in an anti-guerilla war in Western Sahara.

Western sources told The Sunday Star ammunition was also reported to have been sold to Zaire.

"It is difficult to establish to which countries South African arms are going, but it does make sense that some of it is going to African countries," comments the Director of Programmes of the South African Institute of International Affairs, Mr Leon Kok.

"There is a fair demand for arms from the African countries and with good credit lines that is highly possible."

Mr Kok said the international demand for South African defence goods went beyond electronic equipment and artillery.

"Things like field kitchens and medical facilities can also be provided by South Africa."

It is believed that in July this year a top-level team from Thailand visited South Africa to view the famous G-5 long-range gun. At the time international arms experts pointed out that Thailand was looking for 20 long-range howitzers.

In the Middle East it has been widely reported that Iraq bought more than 100 G-5s which, with its accurate range of more than 30 km is one of the most sought pieces from Armscor.

Swedish businessman Mr Karl-Erik Schmitz, named last month by a special Swedish prosecutor and the Swedish Press as the man behind an arms-export scandal, says he exchanged South African explosives for oil from Iran, the country that is fighting Iraq.

The Iranian authorities had asked him to arrange explosives, detonators and "other military equipment."

In South America countries such as Chile are reported to have bought the sophisticated Kukri V3 missile which, with its revolutionary helmet sight, enables a fighter pilot to aim at a target merely by looking at it.

According to informed sources the G-5 cannon, the Kukri V3 missile and the frequency-hopping radio transmitter are among the items most sought by overseas buyers.

The sources say that more sophisticated military equipment will soon be coming out of Armscor's production lines.

South Africa is now going into the development of laser technology and already has its own laser range finders.

Research is also being done on anti-tank missiles.

An Armscor spokesman said it was not the policy of the corporation to comment on its sales.

/9317
CSO: 3400/764

SA RAILWAYS POLICE SPECIAL TASK FORCE'S WORK EXPLAINED

Pretoria PARATUS in English Dec 85 pp 12-13

[Article by Sct P.B.G. Delmar]

[Text] The Task Force came into existence on 24 October 1975 and they recently celebrated their tenth anniversary at the Railway College in Esselen Park.

In 1974 the then Commissioner of the SA Railways Police, Maj Gen J.J. van Vuuren, commissioned and received a draft proposal from Brig J.P. Buitendag concerning the establishment of a special task force.

In 1975 two combat groups were trained at the Infantry School at Oudtshoorn. These combat teams, who were originally trained for rural operations, were scattered over the Republic and were only used for periodic border duty. During the 1976 unrest they played a prominent role, especially in respect of VIP protection.

In 1980 an urban group under the command of Col A.F. Horak was established. The methods and techniques used by this unit are passed on to other special units within the RSA.

The hijacking of the Air India Boeing 707 in 1981 and the subsequent deployment of the Special Task Force brought the unit to the attention of the world. The Task Force was deployed around the aircraft at Louis Botha Airport in Durban and the task force commander negotiated with Col Mike Hoare.

The Minister of Transport Affairs, Mr Hendrik Schoeman, was inaugurated as Honorary Colonel of the Task Force at Slagboom, Port Elizabeth, on 26 August 1983.

Until March this year only the commander and instructors were permanent members of the force. The rest of the unit were stationed in nearby regions. Once a month they met to exercise and receive further training. In March the rest of the unit was transferred to its base at Esselen Park near Kempton Park.

The Task Force is utilised in resolving hostage situations in buildings, aeroplanes, trains, floating craft and buses and in other tasks as the Commissioner directs.

An important task was their protective action in cooperation with the SA Police at the signing of the Nkomati Accord between the RSA and Mozambique.

The Special Task Force is responsible for all hostage situations on all trains within the Republic. This includes commuter, inter-city and private coaches, and the large number of buses which the SA Transport Services operate. The safeguarding of SAA aeroplanes and airports is another major task of the SA Railways Police. The Special Task Force members regularly rehearse their drills on buses and trains ensuring that they are at all times ready to tackle any act of terrorism.

The unit uses the UZI sub-machine gun and much effort goes into target practice. One of the important aims of training is to develop confidence in each others' capabilities. Physical fitness also enjoys a top priority. Much stress is placed on weight training and the obstacle course. Many of the members have gained provincial colours in a number of sports.

The Task Force is trained in the speedy entering of buildings. Shinning up and down drainpipes and clambering in and out of windows are all part of the routine. Often members will climb up and down 20 floors before the target area is reached.

Helicopters are used extensively by the unit, affording greater mobility when operating. The members are all deft absailers.

As part of their tenth anniversary celebrations the Task Force flexed their muscles for the benefit of several hundred guests at the Railway College, Esselen Park, on 24 October 1985. Members demonstrated how a hijacked suburban train is liberated. At a given signal the team stormed the train and in a short time had the startled 'hijackers' surrounded.

An attack on an inter-city train required the men to climb up ladders and crash through the windows of the train. This exercise was also accomplished in a few seconds of frenzied, well coordinated action.

A mock attack was launched on a bus before guests departed for Jan Smuts Airport where they boarded a Boeing 737, not quite sure what to expect. Unbeknown to the occupants, the Task Force men were silently and invisibly approaching the plane. Suddenly the doors of the 737 sprang open and the plane was swarming with members of the SA Railways Police Special Task Force, armed with UZI's and pistols. It was obvious that any hijackers would have been covered immediately and rendered powerless.

The team also staged a mock attack on a Hercules aircraft, going through their paces with typical precision and swiftness.

At a short ceremony after the demonstrations, the Commissioner of the SA Railways Police, Lt Gen J.H. Visagie, awarded Mr Schoeman with the Decoration for Outstanding Service in the SA Railways Police, citing Mr Schoeman for "distinguishing himself as Honorary Colonel of the Special Task Force by his outstanding leadership, exceptional dedication and resourcefulness and by the example which he has set."

Mr Schoeman said, in receiving the award, that the Special Task Force was a source of pride for the South African Railways Police and the South African Transport Services. He said that, as Honorary Colonel, he took a special pride in wearing their uniform.

In his speech, Mr Schoeman said, "At present this unit is rated amongst the best of its kind in the world and this, in my estimation is a great honour and achievement, taking into consideration the unit's lifespan of only 10 years."

After the day's displays those in attendance left with the knowledge that with such men to depend on, one needn't be in the SADF to 'Ride Safe.'

/9317
CSO: 3400/786

ACTIVITIES OF 101 BATTALION DESCRIBED

Pretoria PARATUS in English Dec 85 pp 24-25

[Text] 101 Battalion's history goes back to 1974 when, under the command of Capt Pat Machiachian, it was a platoon strength "homeguard element." It was known in those years as 1 Owambo Battalion. In 1976 its first military training was done at 21 Battalion in Lenz.

A year later the unit's name changed to 35 Battalion under the command of Maj Willie Snyders, and the unit was used chiefly in the operations field under the command of white officers. In 1980 the name changed to 101 Battalion.

At the moment the highest ranking Owambo officer is Lt Karel Ndjoba. There are also two Owambo staff sergeants and an Owambo sergeant major. Throughout 101 Battalion there are Owambo sergeants and corporals--some of them being RM car commanders.

Not all the personnel are involved with Romeo Mike teams. 101 Battalion also has infantry companies based at Oshigambo and Etale. They also provide two reaction force platoons to both 51 and 53 Battalions.

Work and activities in 101 Battalion centre around the Romeo Mike teams. Men wake up and start work at 06h30. Unlike most bases in South Africa, there is no breakfast--to the relief of kitchen staff. At 10h00 there is a large brunch that lasts through until dinner in the late afternoon--so there is little work time wasted.

101 Battalion is perhaps the most stunning of all "border" bases. It has lush green grass, beautiful wooden and thatched sun-houses and sparkling swimming pools dotted about. Rather like an oasis in the harsh landscape, the men have put a lot of hard work into the appearance of the unit.

With teams going on operations throughout the year, the Transport Park, the Light Workshop Troop, the Quartermaster and all the other sections of 101 Battalion ensure that the teams are in perfect working order. Without this back-up service the teams could not operate.

The Transport Park is responsible for all vehicles which not only include Casspirs but Samil 50's and 20's, water Samils, Buffels and a host of light commercial vehicles.

The Transport Park is structured into four parts. The first part is the Control Point where a first and last parade is done on the vehicle and the general condition of that vehicle is checked.

The second aspect of the Transport Park consists of drivers--specifically for the HQ. Thirdly, there is a maintenance team that keeps everything in the Battalion in working order and fourthly there is the administration section that keeps a fully up to date record of every vehicle. This vehicle history is checked every month.

The personnel working in the Transport Park are structured into the four Romeo Mike companies, namely 901, 902, 903 and 904. Once a vehicle has been examined, cleaned and its history checked by the Transport Park, it goes to the Light Workshop Troop (LWT).

The LWT and the men in the LWT are, perhaps, the hardest working of all 101 Battalion members. To keep the vehicles on operations and in perfect order is a full-time job. The only unit to service and repair its own Casspirs fully, the LWT is a hub of activity at all times.

Four forms of repair occur in the LWT. They have Preventative Maintenance where every unit vehicle is on a programme, and that vehicle is checked in fine detail from front bumper to back bumper. There is also Object Repair carried out on the vehicles which forms the major part of the LWT's work. Teams on operations also have the services of a mechanic, seven of which are Owambos, this being Ops repairs. The LWT also provides Unit repairs. The LWT does not only consist of mechanics but has welders, gun-smiths and an electrician as well.

The LWT's main problem in maintenance is the supply of spares. This is especially true in the case of the Casspir vehicles. Ideally they would like to keep all the spares at 101 Battalion and not having to be supplied from Ohskati. Oshakati also supplies the recovery vehicles if a Casspir has a major breakdown in the field.

The QM Store provides the whole Battalion with every piece of equipment required. It holds stock not only for 101 Battalion in Ondangwa but also for Miershoop, Oshigambo and Etale bases. All the ammunitions, weapons, food, vehicles and equipment is provided by the QM. Each company, as in the case of the Transport Park, has its own store that falls under the command of the QM.

101 Battalion also has its own sick-bay. With two full-time doctors, 2Lt S. Harper and 2Lt Joss Coetzee, the sick-bay is one of the busiest in Sector 10, tending to 1 000 patients a month. The sick-bay not only treats 101 members but also their families and the local population. Thirty percent of the patients are locals.

There are seven NSM medics--two in the sick-bay and five with the Romeo Mike teams, and nine Owambo medics that are being trained in relays. The sick-bay is in charge of the base hygiene and treats patients for malaria, gun-shot wounds, general contact and land-mine related wounds, tropical diseases, skin anthrax and venereal disease.

With the Air Force Base Ondangwa sick-bay that has X-ray and theatre facilities close by, the more serious patients can be transferred easily and quickly and, if necessary, flown to 1 Military Hospital.

The sick-bay has a Unimog ambulance that is capable of treating 20 emergencies at a time.

The "stomach" of 101 is the kitchen. There are separate dining facilities for the officers, NCO's and the unranked men. Food for all the men in 101 is uniform. The kitchen, run by Sgt A. Lambrechts and Cpl G. O'Flattery, has a staff of 17 Owambos and nine Owambo women. It has cold storage facilities and electricity.

They also have the use of a 1 250 man mobile kitchen on standby and have been known to feed 1 000 men at a time. For supplies like soft drinks, chips, knives, torches and toiletries, the men go the "Cuca" or canteen. Supplies are from SADFI in Oshakati, and from sales representatives in Windhoek. The Cuca is only allowed to make a maximum of 20% profit, which then goes into Battalion funds to improve facilities.

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PRESENTATION OF COLOURS TO 31 SQUADRON

Pretoria PARATUS in English Dec 85 pp 20-21

[Text] As the sun set over the Eastern Transvaal bushveld, there was an air of excitement as aircraft jetted in important guests including the Minister of Defence, Gen Magnus Malan; the newly appointed Chief of the Defence Force, Gen J.J. Geldenhuys; military attaches and senior officers of the SADF.

On 1 November 1985, 31 Squardon was presented its Colours at an impressive parade at AFB Hoedspruit. The parade was held against a background of squadron helicopters on the floodlit airfield, climaxing with a flypast of two floodlit Puma helicopters.

In the early history of Western Civilization, the colours and standards of military units played a vital role as a rallying point on the battlefield. Warfare has changed and the colours are no longer displayed during battle. However, the colours still serve to remind members of past resolves, deeds, heroes and honours achieved by a unit and, as such, serve to inspire members to constantly strive and maintain the high standards set by their predecessors and thus uphold their traditions.

31 Squadron (Coastal Patrol) was established from two existing squadrons on 1 December 1939. 13 Squadron, which was based in Durban, became 31 Sqn "A" Flight and it operated Junkers Ju 86's in a coastal reconnaissance role. 14 Sqn in Port Elizabeth became "B" Flight and they performed much the same task, also using Ju 86's. Later they were re-equipped with Avro Ansons, but after having been in existence for less than a year, the flights were redesignated to No 31 and No 33 Coastal Reconnaissance Flights.

In January 1944 the Squadron reformed and aircrew were posted to Palestine where they converted onto B24 Liberators. Many saw the squadron become actively involved in the bombing of strategic targets in Eastern Europe, while operating from Southern Italy.

During August the famous Warsaw airlift began and it was here that 31 Squadron earned its place in history. Together with 34 Squadron (SAAF) and two Allied squadrons, they carried out suicidal, low level night supply drops to Polish partisans in Warsaw, who were rising up against advancing German forces. Many men and aircraft were lost due to enemy action and although the operation was largely unsuccessful it served to establish a long standing bond between the Polish community and the RSA.

For the remainder of the war, the Squadron carried out many tasks including the transportation of troops, leaflet dropping and bombing raids. The final parade took place in December 1945.

Thirty seven years later, in January 1982, the Squadron was re-established at AFB Hoedspruit as a helicopter squadron equipped with Pumas and Alouette III's. In the three years since then the Squadron has demonstrated its capabilities in many fields.

Working together with police units, Alouette and Puma helicopter crews have taken part in many successful anti-dagga operations in the Eastern Transvaal. In the Barberton area during February 1984, 80 tons of dagga worth some R40 million was destroyed.

During cyclone Demoina which ravaged Northern Natal and the Eastern Transvaal early in 1984, the Squadron was involved in several rescues to save people trapped by the floodwaters of the Komati River.

A task which has been carried out regularly has been the transportation of critically ill or injured patients to 1 Military Hospital in Pretoria. A casevac flight which took place a week after the re-establishment was, in fact, its first operational task since World War II.

The Squadron's activities and services to the community have been a significant contributing factor towards AFB Hoedspruit earning the Sword of Peace award for the past two years in succession. It has a proud history and a determination to fulfil its tasks in an exemplary fashion.

Sir Winston Churchill said of the Warsaw airlifts carried out by 31 Squadron: "An epic of human courage." In his speech, Gen Malan paid the same tribute to a Squadron who fearlessly performs its task in extreme conditions for the preservation of human life.

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DPSC DRAWS SOME CONCLUSIONS ON EFFECT OF EMERGENCY

Johannesburg SASH in English Nov 85 pp 6-7

[Text] Their report to the end of September concludes, 'Sixty two days of emergency rule have indeed established new norms in our country.':

* a tolerance for the greater use of force

* space for the government to use this force in non-emergency areas as well

* an acceptance that ending township violence is related to a crackdown on the UDF and its affiliates

* an acceptance of the ever-increasing suppression of information on the activities of the SAP and SADF. Reports received from DPSC sister organisations in Natal, East London, the eastern, western and northern Cape, northern Transvaal and Orange Free State indicate that while different regulations may apply in emergency and non-emergency areas, there is very little difference in the intensity of repression experienced by residents.

Patrols, searches, curfews, restrictions

Reports from all over the country indicate a high police and army presence in most black communities. Twenty four hour patrols, searches and roadblocks have become common.

In an effort to end the school boycotts, police and army have taken strong steps. In emergency areas classrooms curfews prevent students from being outside their classrooms during school hours. Only students and school employees are allowed on school premises without police permission.

At night curfews in emergency areas keep residents at home. Shops, supermarkets and nightclubs close early. Concurrently, in non-emergency areas, fear caused by the presence of large patrols has much the same effect. In Durban's black townships there have been reports of anti-UDF impis combing the streets at night to forcibly enlist passers-by for their attacks on UDF supporter's homes.

In emergency areas, funerals of unrest victims have been restricted by the police commissioner in terms of the powers granted to him under section 6 of the Emergency Regulations. Political speeches, marches to the graveside, and the bearing of placards, banners and pamphlets are all forbidden.

In the non-emergency areas of Tumahole and Paarl, funerals of unrest victims were restricted by the local magistrates under the Internal Security Act.

Detentions

By the end of September some 4 400 people had been detained under the Emergency regulations. Of these about 1 000 were still being held. From patterns that emerged previously, it is likely that two thirds of these detainees are being held in the Eastern Cape and one third in the Transvaal.

Based on a statement by the Judge-President of the Eastern Cape concerning visits by judges to emergency detainees, it appears that detention camps have been established. Justice Zietsman had seen 303 detainees being 'kept in tents.'

In the meantime, in non-emergency areas detentions under the usual security legislation continue. At the end of September security detentions for 1985 reached a figure of 1 168 (613 known persons and at least 555 unknown persons), thereby exceeding the figure for the whole of 1984. Some 440 people were still being held at the end of September.

Two more deaths occurred in detention during September, one in Kingwilliamstown, the other in the Transkei.

Of those detained under the Internal Security Act and known to the DPSC, all come from the non-emergency areas of Cape Town, Durban, Brandfort, Witbank, Middelburg, Northern Cape and Pretoria.

In Mdantsane, Ciskei Security Police detained 2 900 people whom they claimed were attending an illegal gathering.

'These examples lead us to conclude that an undeclared state of emergency exists in many areas not included in the 36 emergency districts. We believe that this is one reason why Minister Le Grange thinks it is unnecessary to extend the emergency formally to other areas,' states the report.

Crackdown on the UDF and its affiliates

In the second week of the emergency, a DPSC analysis of a sample of emergency detainees revealed that 86% of those detained were members of the UDF and its affiliates. From this the DPSC concludes: 'An important aim of the emergency was to smash extra-parliamentary opposition to apartheid under the guise of ending so-called "township violence."'

On the eve of the emergency Mr P.W. Botha said in his press statement that the aim of the emergency was to restore 'normality' to black communities and to create a climate for 'continued negotiation.'

However, the majority of black South Africans had rejected the 'normality' of apartheid rule with its 'continued negotiation,' and the community councillors, and bantustan leaders who implement it.

The United Democratic Front has been in the forefront of this rejection. The repression of the UDF and its affiliates makes it clear that a major aim of the emergency is to remove opposition to apartheid from this quarter, so that negotiations with black leaders who support apartheid can continue. While the 'reform' period forced the government to allow legal extra-parliamentary political organisations to operate, the emergency aims to close off this space. The emergency gave the government both the climate and the cover to detain hundreds of UDF supporters in both emergency and non-emergency areas.

To date 47 out of 80 UDF office bearers have been detained, put on trial or murdered. Thirty four of these office bearers have been detained since the emergency was declared, the majority of whom were detained in non-emergency areas. It has been reported that many of the remaining UDF office bearers are in hiding to escape detention, creating a situation in which although not banned, the UDF has extreme difficulty in operating openly.

The repression of many UDF affiliates has been even more severe. The Congress of South African Students has been banned outright, and 500 of its former members detained.

In the Transvaal, youth and civic organisations appear to have been hardest hit. The entire executive of the Alexander Youth Congress is detained as are some executive and committee members of the Soweto Youth Congress, the Federation of Residents' Associations, the Tsakane Home Seekers Committee, the Duduza Civic Association, the East Rand People's Organisation and the Soweto Civic Association.

In non-emergency areas like the Northern Transvaal, and Potchefstroom, UDF and former Cosas activists have been detained under Section 28 of the Internal Security Act which allows for indefinite 'preventive' detention.

In Natal, Inkatha has been in the forefront of the attack on UDF. In late August, Inkatha leader Sinnington Sabelo warned all UDF supporters and their families to leave Umlazi or face the consequences. Since this time three UDF activists have been murdered. The houses of several UDF activists have been attacked by armed impis, fueling speculation that a hit list of UDF supporters exists for the entire Durban area.

Suppression of information

Perhaps most sinister of all has been the inverse relationship between the level of repression on and the information published and available on it.

Prior to the emergency certain legislation often had the effect of preventing the publication of detentions and SAP and SADF activity without official confirmation.

When the emergency was declared, Johannesburg Legal Resources Centre attorney Geoff Budlender pointed out that press censorship was probably the most important aspect of the emergency regulations.

Section 8 (b) prevents the publishing of detentions under the Public Safety Act unless officially sanctioned. A journalist who does so risks a fine of up to R2 000 or 10 years imprisonment.

Far worse are the provisions of Section 6 (1) (i) which give the authorities power to prevent the publication of any piece of information whatsoever. While this section has not yet been put to use, Budlender points out that if the press 'reports what is actually happening in the State of Emergency, then it will be stopped from doing so.'

This threat of tougher action has been combined with journalists being barred, expelled and harassed whilst reporting on unrest in both emergency and non-emergency areas.

The result of this has been that the public is forced to rely for their information on police situation reports and police detention announcements.

Inadequate as these reports may have been in the past, they too have been restricted in the course of the last two months. During the first days of the emergency, police reported daily on detentions and gave the place of detention of each detainee. Now detentions are announced once a week and no areas are given.

Initially, situation reports included a breakdown of unrest incidents in different towns. However, the head of the Police Counter Insurgency Unit, General Bert Wandrag, pointed out that if detailed breakdowns of unrest were given, this could create the impression that the whole world is on fire instead of the usual Sunday sports. In future, he explained, only lists of the number and type of unrest would be given for a region. Towns in which unrest occurred would not be reported.

In the absence of a free access by journalists to all areas and the suppression of community organisations, the public can only be given a distorted and one-sided picture of what is occurring in the country.

Perhaps the clearest example of this was an SABC interview with an Inanda resident at the height of the Natal unrest. The resident blamed the UDF for the unrest in Inanda and his words were screened on every TV news broadcast that day. The same man later wrote a letter to the Natal Post apologising for his statement and saying that the SABC-TV crew had taken advantage of his anger at losing his house and property to provoke him into making anti-UDF remarks.

In a recent deportation of Newsweek journalist Ray Wilkinson, together with rumours that the government intends to implement the Steyn Commission's recommendations for controlling foreign journalists, give cause for alarm. Present press controls have been an important smokescreen for emergency excesses today and further curbs suggest an attempt to prevent news of increasing repression reaching the outside world.

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SOUTH AFRICA

PATTERN OF TOWNSHIP UNREST PREVAILS IN SMALLER TOWNS, VILLAGES

Johannesburg SASH in English Nov 85 pp 28-30

[Article by Di Bishop]

[Text] Our account of life in Grahamstown's townships reads like a description of civil war. Troops entered the township on October 7, 1984. Since then, soldiers have patrolled the area on foot and in armed vehicles, while a constant SADF presence is maintained along the national highway. The privacy of township dwellers has been violated by searchlights blazing intermittently from mountings below the 1820 Settler Monument on Gunfire Hill, passing over the valley of the whites--son et lumiere South African style.

In the valley, white schools practise riot drill; the girls at one boarding school sleep in the chapel during times of acute unrest; 'Dad's Army' has been mobilised, sales of firearms and security systems have increased. The City Council, with the majority of white ratepayers, vigorously approved the National Transport Corporation's plan to spend up to R24 million on a bypass road to remove the problem of having a national road linking town and township. And so whites bypass apartheid.

Sash response

As violence took its toll and the incidence of arrests, deaths and detentions rose, Sash formed a monitoring committee in May 1985. At first we aimed to monitor state repression locally. Police and defence force activity, related developments and events were monitored in the Albany area which encompassed Grahamstown, Kenton-on-Sea, Port Alfred and Alicedale. This led to the monitoring, almost daily, of political cases in the various courts. Out of this grew a bail fund and a mass of information largely in statement form.

Popular resistance

From this mass of information it is possible to discern the unfolding of sometimes explosive patterns of resistance in the small rural and seaside villages as well as in the larger cities and towns. Anger over the failure of state imposed councillors to deal with basic grievances like high rents, housing shortages and the provision of essential services led to meetings and gatherings. Popular leaders responded and grassroot community-based organisations mushroomed.

The State intervened with force to break up meetings and crush the growing movement, and so the spiral of violence began: deaths--funerals--deaths--funerals and so on. These events in turn effectively mobilised and politicised tens of thousands of people. Popular calls for other strategies and more militant actions increased. Consumer boycotts followed school boycotts and stayaways. Those perceived as parties to the system--unpopular community councillors and black policemen--were obvious targets for people's anger. Demands for their resignation intensified, some resigned. some still live trapped and guarded in their homes. Isolated from the community, some demand the use of ever more force in the townships, thus further endangering their lives.

State response

The number of people killed in unrest in the Eastern Cape between January 1 and April 20, 1985 was 123. Of those, 96 were killed by the police or army. Statements taken reveal again and again that people arrested have often witnessed or been subjected to unwarranted police violence: beatings with batons and quirts, tear gassing, assaults, killings and arrests. Witnesses are, more often than not, themselves arrested. The charge against them: public violence. People who sustain injuries but escape, often refuse to go to hospital for fear of being arrested. Some have died from untreated wounds.

State of Emergency declared to 'normalise' the townships

A random sample of state action demonstrates how the state attempts to 'normalise' the Eastern Cape townships and popular response to this:

Graaff-Reinet: Children were driven back to school at gunpoint. Pupils can be arrested if found in their homes between 8.00 am and 2.00 pm without police permission. Any unauthorized person, ie not a pupil or teacher, found on school property can be arrested.

Grahamstown: A 10.00 pm to 5.00 am curfew is strictly imposed. In an attempt to beat the consumer boycott, townships have been ordered to close early each day with no Sunday shopping. Children must be in school or at home or risk arrest or beatings.

East London: A successful boycott of the Daily Dispatch forced management to review its coverage of township issues. Although not an area restricted under the state of emergency regulations, Duncan Village is like a war zone today. Response to a trade boycott and more recently, a work stayaway, has been almost total.

Port Elizabeth: The very success of the boycott there has effected a two-pronged attack by the State: some shops have been closed under the emergency regulations while other shopowners and their customers are intimidated and harassed by the police, who insist that white shops are being picketed.

Colesberg: A siege mentality prevails: water to the township is cut off for five hours a day and wholesalers have stopped supplying township shops.

Black people have declared their own state of emergency and are fighting back. It has been suggested that opposition is sporadic, disorganised and lacking in direction. Resistance may be centred around local issues, but it IS being co-ordinated. The spread of consumer boycotts, the growing isolation of community councillors and pressure on policemen and police reservists to get out of the township all bear witness to this.

In effect we have been under a state of emergency for a year, as the story of Kenton-on-Sea shows.

Kenton-on-Sea

The black area there has been an 'emergency' camp since 1956, so no permanent infrastructure may be provided. The Hansard of April 16, 1985 at column 117 quotes the Minister of Co-operation and Development in debates in the House of Assembly as saying that the population of the camp was 2 001 people. There is, however, some confusion as the Hansard of April 26, 1985 at column 1 269 and 1 270 quotes the same Minister as stating that the population as at March 31, 1985 had been 1 297. The only employment available is in the shops and hotels and seasonal domestic work for holidaymakers The average wage is R40 a month.

A meeting was called to discuss local grievances eg four taps at a communal water tank 120 m from the camp, no electricity or sewerage. As people gathered on a rugby field, six armed vehicles arrived, the police declared the meeting illegal and gave the people five minutes to disperse. Before the five minutes were up, teargas and rubber bullets were used. People ran to seek shelter in homes, and some hid in the bushes where they stayed for two nights.

One man who ran into the river died. There is some evidence that he was shot by the police, but the district surgeon says he drowned. His body was taken to Alexandria without the permission of his family. His funeral was small, there was a heavy army presence and young people were prevented by the soldiers from attending.

After the funeral 104 people were arrested, held for up to 10 days and released on bail of R100-R120 each, which is more than R10 000 from a community where there is little employment available.

White shopkeepers and other white people began to get involved as they could not believe the people were guilty of the charges against them: arson, public violence, sabotage and attending an illegal gathering.
A community organisation was formed because of the arrests and four women helped by a white shopkeeper collected money for bail. The four were arrested and the money confiscated, but the shopkeeper was left alone. A school boycott began. The state of emergency was declared in the middle

of negotiations between whites and black community leaders who were arrested and detained immediately. Two boys were arrested from school and when released told to make the children go back to school and people were harassed continually.

Port Alfred

The state of emergency was even more destructive in Port Alfred because negotiations were taking place between the black and white communities and the children had already returned to classes when it was declared. Gugile Nkwinti, chairman of the Nonzama Student Guardian Association was detained immediately and the school and consumer boycotts were resumed. Gugile was released and the trade boycott was suspended but the children continued boycotting.

At the time of writing Gugile and others have been re-detained, and the consumer boycott has resumed. The state of emergency effectively destroyed negotiations which were taking place between the two communities.

Conclusion

The confrontation of State and township is going on mostly over our heads, like the searchlights. This month, September, the Sash is supporting the EEC fast against militarism: some members have joined the consumer boycott; court monitoring, bail work and the taking of statements go on as usual. We helped to get two interim interdicts to protect eight prisoners aged 11-23 who had been tortured--which will not stop police violence, and is too late by definition, but still vital for those concerned. The only thing which will stop violence is an interdict like that handed down recently in Port Elizabeth.

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EDUCATION FIELDWORKER GIVES PERSONAL ACCOUNT OF YOUTH VIOLENCE

Johannesburg SASH in English Nov 85 pp 4-5

[Article by Dilisa Matshoba]

[Text] In South Africa the IYY is 'celebrated' in a peculiar way, for some months now, not a single weekend goes by without a funeral of a youth or two who have been killed in the township 'as a result of police action.' Yet these deaths have not instilled any fear for the police in the young peoples' minds. One of their songs reflects their spirit: Noma kubi siyaya... (Even in adversity we continue marching forward).

Who are these youths whose way of doing things has shaken the walls of the apartheid strongroom?

Certainly, they are not strange creatures; they did not descend from outer space.

They are the daughters and sons of the men and women who fill the trains and combi-taxis every morning and afternoon to manufacture commodities, to clean business premises, to sweep city streets, to be sent on errands by the white bosses and to look after the children and homes of the same bosses.

While most of these men and women have been conditioned to accept that this is what life has destined them to be, their children think otherwise. They blame it on the 'system.' For the rest they do not understand why they should submit themselves to the authority of elders who play 'boy' and 'girl' before the bosses at work, and 'boss' before the children at home. In this regard Nelson Mandela and Abertina Sisulu, who resisted are more important to them than mom and dad at home. To use the words they themselves painted on a township supermarket wall, they will not 'allow the whites to sh.. on them.'

The spirit of resistance has spread like a prairie fire to every part of the country wherever youth can be found--even in rural areas. In most townships all over South Africa the youth have set up youth organisations.

In Natal, the Inkatha Youth Brigade used to have a strong branch in the resettled community of Limehill, a district of Msinga. In 1984 things changed. All the members of the youth brigade, save about a dozen, led the brigade in another direction--they formed themselves into what they called the Limehill Youth Congress (LIYCO). The ringleaders in this mutiny went into 'exile' in other parts of Natal following rumours that their elders in Inkatha were planning to kill them on December 16, 1984. Asked why they broke off from the youth brigade, they answered that they simply wanted to do things like other youths everywhere in South Africa.

The youths started by organising themselves as student organisations. They then extended their organisations into their communities in order to reach out to those who had dropped out of school. At school, the student-youths resist the system of Bantu Education and demand a say in the way they are educated.

A history teacher in one high school in Welkom blamed himself for causing a school boycott. He said that during a history lesson the whole matric class walked out on him after he had introduced the subject of 'Independent National States (Homelands),' in accordance with the school syllabus. Other classes followed and the boycott spread to other neighbouring schools.

Outside the classroom the 'comrades' continue their struggle against apartheid. In the townships they have selected as targets of their resistance and anger community councillors, 'informers,' and the police. Recently they have added the SADF (South African Defence Force) to their list. They have burnt down houses and businesses of councillors, including those of other categories of 'collaborators.' In many townhips, police residents had to vacate their houses on the advice of their superiors who were concerned that they were sitting ducks for the youths.

Members of the SADF have stopped playing football with the township boys in the dusty arenas of Soweto. But I could not understand why the youths, who display a total dislike for the army and police, could ever have kicked leather with their 'enemies' in the first place. Some people said it was because of the 'inherent goodwill of blacks.' I personally don't believe in it. I could understand the part of the soldiers. Their participation in these football games was consistent with the strategy of winning the hearts and minds of the township youths. As for the youths, I could not explain in the paradox until I listened to people relating tales from the township on the train.

One afternoon, so went one tale, a group of youths invited some soldiers to a soccer game. While the game was in progress with all the soldiers taking part, some youths climbed into the casspirs and stole the rifles.

Another tale was that in Meadowlands, Soweto, a group of youths had dug deep trenches in a football field. They placed sheets of corrugated iron over the trenches and covered them with sand to conceal the trenches. Near the trenches they lit a bonfire from old truck tyres. Two youths went to report to the soldiers, who had parked their vehicles in open veld some distance away, that a house had been set on fire. The armed vehicles made for the direction of the fire. The first vehicle fell into the trench and overturned. Six soldiers were fatally injured. This story has never been confirmed.

Many journalists have tried in vain to set up interviews with township youth who are in the forefront of the township events. Since the State of Emergency and the banning of the Congress of South African Students these activists have become faceless while a legend builds around them.

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NEW ERA OF INTER-RACIAL PLANNING IN EAST CAPE TOWN

Mass Meeting

Port Elizabeth WEEKEND POST in English 14 Dec 85 p 6

[Article by Kim Bentley]

[Text] A mass meeting will be held in Adelaide's Bongweni Location on Monday to discuss whether the newly formed Adelaide Resisidents' Council (ARC) will pursue negotiations within the Regional Services Council structure.

The meeting will also provide the ARC with a constitution.

The president of the Adelaide Youth Congress (Ayco), Mr Mondli Makaka, said this week that during his recent detention and that of 10 other black leaders, the ARC was formed to negotiate with the Adelaide Town Council about the short-term demands of the community.

Initially negotiations revolved around the granting of grazing rights to black cattle owners. Camps would be granted in March next year.

"Our local demands have been met or are in the process of being met. Our national demands have not been met," he said.

"We are verv grateful to the Adelaide Businessmen's Association for taking our demands to the authorities."

Mr Makaka said he hoped students would return to school next year since most of their local demands--such as sports facilities--had been met. However, the school library was still understocked and the laboratory "not well equipped."

But the political structures still worried Mr Mkaka.

Although the ARC was totally divorced from the old community council system, he said he feared that by participating in the RSC structure they would be "turning back into a community council."

The problems with RSCs, he said, was they were again "imposed by the Government."

The chairman of the Ayco, Mr Makaya Mana, said while their release and the lifting of the state of emergency were encouraging, calls for the lifting of the emergency in all areas, the release of all detainees and the unbanning of organisations like the Congress of SA Students, remained.

In August, while they were in detention, he said, the interim leaders suspended the consumer boycott.

After the release of the 11, he said, it was decided to suspend the boycott conditionally for an indefinite period.

He said the job-creation schemes had provided much-needed relief as people got work at R4 a day. At the same time they "cleared up the whole township."

"The people are busy working for themselves--cleaning their houses."

He saw the "beehive" of industries, where a former white school would be converted into a labour-intensive small business centre, as a sign of hope.

On the political side, he said following the release of all detainees, "there must be negotiation between our true leaders and the Government."

Hardest Hit by Unrest

Port Elizabeth WEEKEND POST in English 14 Dec 85 p 6

[Text] A new era of inter-racial planning and development is emerging in Adelaide--one of the towns hardest hit by unrest in the Eastern Cape this year.

In an exciting new development, this platteland town is evolving extensive plans to upgrade its black township and create new, permanent job opportunities for about 140 people.

There had been unrest in the town since early this year.

Ongoing attempts at dialogue with black civic organisations in the township were arranged by the Adelaide Businessmen's Association, the Chamber of Commerce and by the Mayor, Mr Piet Rademeyer, after the introduction of a consumer boycott in May.

On July 22, soon after the state of emergency was declared, 11 prominent members of "progressive" civic bodies were detained.

The emergency was lifted on December 3 and the detainees released after spending over four months in detention.

Indicative of the new spirit in the town, the 23-year-old chairman of the Adelaide Youth Congress (AYC), Mr Makaya Mana, and three other former detainees who had just been released--the president of the AYC, Mr Mondli Makaka, the general secretary, Mr Manaliso Djantjie, and an organiser, Mr Lindile Mangali--met Mr Rademeyer on Tuesday and discussed the situation in the town.

Mr Rademeyer confirmed the meeting, saying it was a "cordial interview."

He said throughout the state of emergency--with the unanimous support of the council--he had held ongoing negotiations with members of the black community.

In October a committee of 10 members known as the Adelaide Residents' Council was elected at a mass meeting in the township.

The secretary of the council, Mr Garnett Somdyala, said it had not yet been formally constituted. They were hoping to bring into the organisation members of the Adelaide Civic Association, the Youth Congress and the Women's Organisation.

He said the council replaced the old community council which resigned en bloc in May this year. "The people didn't want it."

Mr Somdyala said none of the former community councillors was on the committee of 10, which was chaired by Mr Jackson Magwa. (This indicates another clear rejection of the system of black local authorities).

Explaining the new era of co-operation, Mr Rademeyer said the Residents' Council and Town Council held monthly meetings on a Joint Management Council (JMC).

This council, in conjunction with the Adelaide Municipality and the East Cape Development Board, was "now tackling further the problems in the black township."

Stressing that "the biggest problem in the platteland is jobs," Mr Rademeyer said some of the developments achieved included:

--The purchase of an old school which is to be renovated out of a R750 000 job creation fund. This would be turned into a "beehive where entrepreneurs of all races can operate anything from light industry to trade, to commerce."

--The provision by the council of a piece of ground for a "hawkers' corner." Stalls would be built and leased out.

--Permission had been obtained by the council from the Provincial Administration for the sub-division of the commonage into eight "irrigation farms." These eight to 12-hectare farms would be auctioned and "intensively worked," creating a further 40 permanent jobs.

--Repairs and extensions to the street lighting complex at a cost of about R30 000 (to be reimbursed by the State) were under way, but had been hampered by the rain. They would be completed early next year.

--Streets had been graded.

Projects to be tackled included:

--Part of the R750 000 job creation fund provided by the State was to be used for a R4-a-day stormwater drain and culvert-digging scheme.

--More water taps were to be installed in the township.

--The JMC, together with the Department of Education and Training, was tackling the problem of facilities for schools which were nearing completion. These included the creation of grass fields, netball courts and "combi-courts" for each school--at an estimated cost to the department of about R75 000.

--Rugby and soccer stadiums were planned, based on a canvass of the requirements of sports clubs conducted by the Residents' Council at Mr Rademeyer's request. The fields would be fenced to enable gate fees to be charged, he said.

--The introduction of a technical high school, for which the committee of 10 asked, was in the pipeline.

Commenting on the developments, Mr Rademeyer said they had only been possible in an atmosphere of "peace and harmony."

"The cooperation from the black community--including the Youth Congress--has been wonderful.

"I am gladenned by their approach and grateful to the youth of Adelaide for the interest they have taken in civic affairs.

"As long as you have a fair and equitable approach and are serious about working for the benefit of Adelaide, you can solve problems jointly."

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CSO: 3400/763

SOUTH AFRICA

REPORT ON IN-DEPTH INTERVIEW WITH COSATU PRESIDENT BARAYI

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 8

[Article by Sheryl Raine and Arlene Getz]

[Text]

THIS is the man they are calling "The Workers' Moses", one of the most powerful men in South Africa right now and an important cog in a very big wheel.

The organisation he heads has been accused of being a front for the African National Congress, has been warned off by the leader of Inkatha and has been labelled a communist organisation by some analysts.

Seven days ago, the name Elijah Barayi meant nothing to the vast majority of South Africans. The Congress of South African Trade Unions (Cosatu) was just a dream.

Now the dream has become a reality and Elijah Barayi is the man to watch.

As the first president of the 500 000-strong Cosatu, Barayi (55) will hold office for two years.

A personnel assistant at Rand Mines' Blyvooruitzicht gold mine near Carletonville, Barayi was born in Cradock on April 15, 1930, of worker parents. He has five brothers and two sisters.

During an uneventful school career he attended the Lwana Primary School, completed his junior certificate at Nuwell High School and obtained his matric at Heldtown Institution in 1951. In local youth organisations he was politically well-informed, known for his talents as an organiser and an able speaker.

He was once a member of the African National Congress youth league.

For a brief period he worked for the Department of Native Affairs as a clerk. He resigned and recalls: "It was not my line, given that this department was in the forefront of the pernicious legislation of apartheid."

Between 1953 and 1960, turbulent times in South Africa, he held a variety of casual jobs.

He also experienced detention during South Africa's last state of emergency in 1960 when he was held for six months under emergency laws.

Although he got to know about the trade union wing of the African National Congress, the South African Congress of Trade Unions (Sactu), his involvement was not significant, according to his official curriculum vitae.

In 1960, he left the hotbed of the Eastern Cape to work at State Mines in Brakpan as a clerk. As a migrant worker he lived in a hostel.

"I never thought I would become a miner, but influx control left me with no other way of getting here," he said.

Mr Barayi soon became involved in the problems of the black miners.

In May 1973 he joined Blyvooruitzicht as a clerk and in 1976 was promoted to personnel assistant. He lives with is wife Nontobeko and their four children at Ekuphakemni Village, the marriage quarters at the mine.

The legalisation of black trade unions and the 1982 formation of the NUM — together with his appointment as vice-president — was like a dream.

"When Wiehahn announced that black workers could form trade unions it was then that we started to develop organisation on the mines. When NUM came, we were ready.

"I joined NUM because the workers were paid peanuts. It was through the union that the workers' rights could be fought for, their dignity won and their pride restored."

"Since the NUM was formed the people have been educated about their rights," said Mr Barayi.

"Now, for example, they know they can refuse if they are sent to an area they consider unsafe."

"It was here where I realised that the freedom of South Africa's black people would be won by the working class because they are the most oppressed and exploited section of our society," he says.

A modest man, he dislikes being compared with anyone. "I am a humble worker and servant of the working class," he insists.

As president does he see himself as a man who takes decisions or as a man who carries out the wishes of the workers?

"I am a servant of the workers. I was elected to carry out their wishes."

What are the foremost challenges facing him as president of Cosatu?

"Firstly to see the mergers of the unions so that we get our national industrial unions established. Secondly to get the federation operating in a unified way by getting the locals and regions going — in this way Cosatu's policies can take effect. Thirdly to organise those workers who are not organised and presently not in our federation. Lastly to ensure that we develop a working class leadership that can play a leading role in the struggle for freedom. Simply to mobilise the entire working class is the most important long-term objective."

What does he consider to be the most difficult part of his job?

"Getting all the unions to act in unity. We are a new-born baby. We need time to develop and consolidate various levels of Cosatu's structures."

Can he clarify the extent to which Cosatu will play a political role?

"One thing is clear. We as the working class are directly affected by the political system in South Africa. So we cannot divorce ourselves from the political struggle. We will fight tooth and nail for our survival.

"Cosatu's political policy has not yet been decided so our exact programme of action will only be clear once this decision is made.

"Our relationship with other organisations will depend on whether they agree with our aims and objectives. I can't say more than that, until Cosaty adopts a political policy."

Cosatu has been accused of being a front for the ANC and labelled a communist organisation by some Government analysts as well as warned off by Inkatha. Can he clarify Cosatu's relationship with the ANC, the United Democratic Front and other organisations?

"These accusations have no substance. On what basis do they make these accusations? One expects this type of thing from Gatsha (Chief Mangosuthu Buthelezi, head of Inkatha) because he obviously is threatened by the non-racial workers' unity that Cosatu represents.

"The Government is very stupid if it wishes to take up this position. Cosatu is an independent trade union federation and it represents over half a million paid-up workers. We have no links with any organisation.

"Our relationship with progressive organisations will be decided when we discuss our political policy. But it must be stated clearly that Cosatu as a workers' organisation, will put the interests of the workers first."

Seated in the lounge of his home on the gold mine where he has worked for the last 12 years, the eloquent new head Cosatu explains with quiet charm: "My wish is that blacks in the country become involved in the decision-making process, because it is unfair that whites do it on our behalf."

As a personnel assistant, Mr Barayi still spends several hours a day working underground and staying in touch with workers' conditions. His role at the helm of Cosatu will, however, keep him busy with broader issues.

Mr Barayi's main regret was the refusal of the black consciousness unions, the Azanian Confederation of Trade Unions (Azactu) and the Council of Unions of South Africa (Cusa), to join Cosatu.

He would like them to join Cosatu, he said, but as an ardent supporter of the Freedom Charter he was emphatic that his union remain non-racial.

Cosatu's first move would be to mobilise support among the country's workers and "teach them right from wrong in a political sense", he said.

Among the union's eventual goals was the nationalisation of the mines "so blacks can get some fruit from their sweat and toil".

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CSO: 3400/760

INCREASING USE OF BLACKS IN POLICE FORCE EXAMINED

Johannesburg THE STAR in English 28 Dec 85 p 8

[Article by Michael Hornsby]

[Text]

"Kill A Cop For Jesus" has been proclaimed one of the more eye-catching graffiti in the Cape Peninsula's turbulent coloured townships — accurately catching the mixture of revolutionary fervour and religious sentiment that is an explosive element in the anti-Government turmoil sweeping South Africa.

The anonymous author of this murderous injunction is as likely to have had a black "cop" in mind as a white one. The systematic way in which black members of the State's security and administrative apparatus have been singled out for attack has been one of the distinguishing features of the past 15 months of unrest in which more than 900 people have been killed in black townships across the country.

Black policemen and township councillors are at the top of the list of "collaborators" in the eyes of the angry and militant young blacks who have taken control of many areas in the townships and regard any form of association or co-operation with "the system" as a betrayal of the cause of liberation.

Elaborate legal controls, as well as the enforced geographical separation and isolation of many African townships, limits the capacity of blacks to strike out at white authority beyond their own communities. In past outbreaks of revolt, administrative buildings manned by white officials and schools and buses were the main targets.

In striking directly at blacks in the State machinery, the latest generation of youthful would-be revolutionaries has not only found a target that is accessible but is also undermining a vital pillar of the Government's increasingly sophisticated divide-and-rule strategy: the inclusion of blacks, coloureds and Indians in the lower echelons of the State apparatus where, it is hoped, they will act as a buffer between the white elite and the masses.

Blacks now account for almost half the authorised establishment of the police force. At mid-1984 this stood at 45 961 men and women of whom 22 964 were blacks, coloureds or Indians. Whites still dominate the officer corps but, as of May this year, there were 67 black officers, two of whom had reached the rank of colonel. Of the 830 police stations in South Africa, 64 in black rural and urban areas were said to be manned and run entirely by blacks.

CONFRONTATION

The police force has shown much less caution about arming blacks than the military, which has not recruited blacks on any scale except in Namibia, where about 60 percent of the troops deployed along the Namibian-Angolan frontier are now drawn from the local population.

The high level of black recruitment by the police is partly a matter of straightforward demographic arithmetic: there are simply not enough whites available to meet all the Government's growing military, police and economic manpower requirements.

The unrest in the townships has put a severe strain on the police. About 6 000, according to Minister of Law and Order Mr Louis le Grange, have had to be diverted permanently from normal police duties to combat unrest. The Railways Police, normally used mainly for guarding harbours and airports, border police and the army have all had to be deployed to support the regular force in the townships.

If the growing reliance on blacks to make up police numbers — the force is to be expanded by 11 000 men over the next 18 months — has its dangers from Pretoria's point of view. There are also advantages. Direct confrontation between white and black can be minimised by delegating the task of enforcing the law in African, coloured and Indian areas to policemen of those race groups.

Hitherto the police force has found little difficulty in attracting black recruits. This is not particularly surprising. For a would-be upwardly mobile black, particularly if he comes from a rural background with only a primary school education and no legal permit to be in a "white" urban area, South Africa's apartheid society is not exactly bristling with career opportunities.

The police force is one of the few channels of advancement on offer, all the more so at a time of recession and high unemployment.

The police recruit's pay — blacks are paid on the same scale as whites — is likely to be substantially better than anything he would be likely to command on the open job market, quite apart from such perks as virtually free housing and medical care, paid leave and a pension on retirement.

There is also status. A black policeman handing out a speeding ticket to a white motorist is one of the rare examples in South Africa of a black exercising direct authority over a white.

ATTACKS

Black policemen live in the townships they serve. They are a vital link in the Government's intelligence network which keeps tabs on black political activists through paid informers and spies who infiltrate black organisations. Although they have been occasional targets of anti-Government violence in the past, it is only in the past year or so that black policemen have been singled out in a quite deliberate way.

According to a recent statement by Mr Le Grange, 27 policemen (so far as is known, none of them white) have been killed since serious unrest began in September 1984. Over the same period the homes of 550 black policemen have been destroyed, many by petrol bomb or hand grenade attacks. The families of 100 policemen are still being housed temporarily in tents.

Separate figures collated from Press reports and police bulletins by the South African Institute of Race Relations only show 18 police deaths up to the end of October. Whichever is the right figure, life has clearly become much more uncomfortable for black policemen. There is no doubt about the hostility they arouse in many township residents. "They live with us, they drink with us in the shebeens, and then they come and kill us," said an angry, jobless black youth in Langa, near Uitenhage.

Township councillors are the other main target of popular wrath. The Government set up councils in the townships, partly to distance itself from local administration of the black population, partly as a substitute for real black political rights. They are supposedly autonomous, elected bodies but the turnout at elections has often been less than 10 percent and almost never more than 20 percent.

Built as dormitory satellites of "white" towns, the townships have few amenities and no financial resources of their own, other than what is exacted from their residents in rent and charges for water, electricity and other usually completely inadequate services. The main task of the hapless township councils is to implement increases in rent and other payments decided on by the white authorities.

Proposed rent increases triggered the violence in Sharpeville and the other Vaal Triangle townships in September last year. More than a year later, about 350 000 residents of six of these townships are still refusing to pay any rent — a loss to the Government of R2 million.

Four councillors, including the deputy-mayor of Sharpeville, were hacked, stoned or beaten to death in that first week of riots. There is no exact record since then, but at least 12 councillors in different parts of the country are known to have been killed to date. Scores have seen their homes destroyed and, when the state of emergency was imposed on July 21, at least 250 councillors across the country were known to have resigned.

Neither are these easily identifiable symbols of "the system" the only targets of black anger, which can be directed at anyone held to be co-operating with apartheid. People suspected of being informers, however tenuous the evidence, housewives violating consumer boycotts of white shops, or schoolchildren who sit end-of-term exams in defiance of school boycotts all risk what is known in township parlance as the "necklace", a rubber tyre placed round the bound or beaten victim's neck and set alight.

In response, township councillors in some areas, apparently with the approval of the local police, have formed their own vigilante squads which are suspected of the murder of anti-Government activists, many of whom have also died in feuding between different black political factions. Pinpointing direct blame for all the killings in the increasingly murky currents and cross-currents of township violence has become almost impossible. — *The Times.*

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CSO: 3400/760

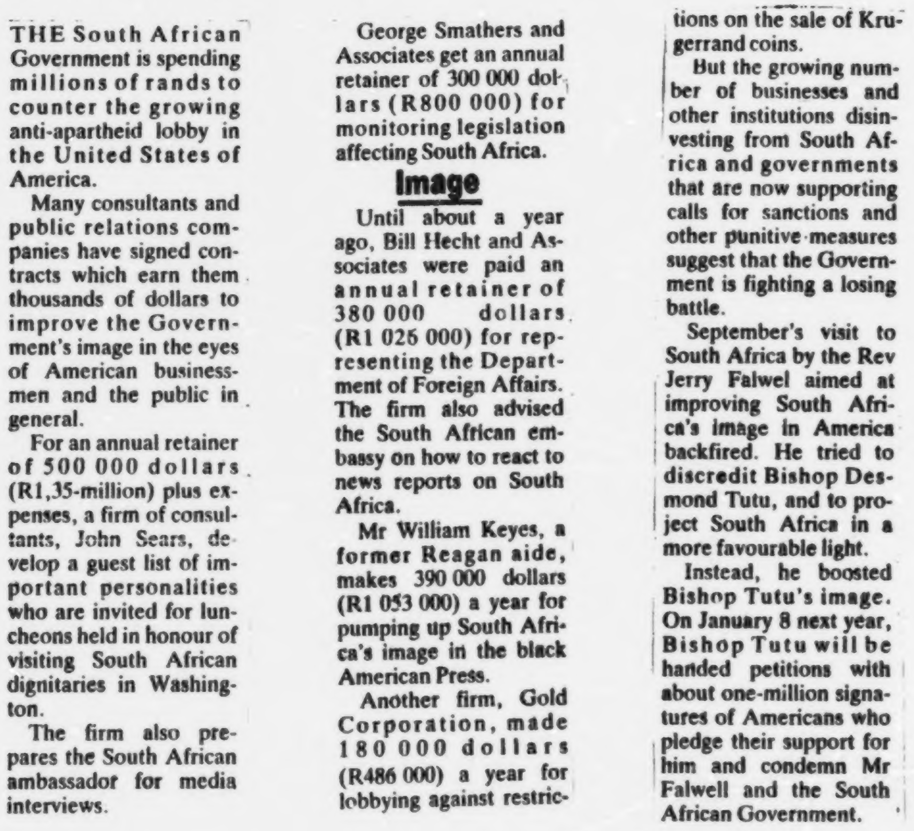
SOUTH AFRICA

NATION SPENDING FORTUNES ON PROPAGANDA

Johannesburg SOWETAN in English 13 Dec 85 p 6

[Focus column by Sam Mabe]

[Text]



THE South African Government is spending millions of rands to counter the growing anti-apartheid lobby in the United States of America.

Many consultants and public relations companies have signed contracts which earn them thousands of dollars to improve the Government's image in the eyes of American businessmen and the public in general.

For an annual retainer of 500 000 dollars (R1,35-million) plus expenses, a firm of consultants, John Sears, develop a guest list of important personalities who are invited for luncheons held in honour of visiting South African dignitaries in Washington.

The firm also prepares the South African ambassador for media interviews.

George Smathers and Associates get an annual retainer of 300 000 dollars (R800 000) for monitoring legislation affecting South Africa.

Image

Until about a year ago, Bill Hecht and Associates were paid an annual retainer of 380 000 dollars (R1 026 000) for representing the Department of Foreign Affairs. The firm also advised the South African embassy on how to react to news reports on South Africa.

Mr William Keyes, a former Reagan aide, makes 390 000 dollars (R1 053 000) a year for pumping up South Africa's image in the black American Press.

Another firm, Gold Corporation, made 180 000 dollars (R486 000) a year for lobbying against restrictions on the sale of Krugerrand coins.

But the growing number of businesses and other institutions disinvesting from South Africa and governments that are now supporting calls for sanctions and other punitive measures suggest that the Government is fighting a losing battle.

September's visit to South Africa by the Rev Jerry Falwel aimed at improving South Africa's image in America backfired. He tried to discredit Bishop Desmond Tutu, and to project South Africa in a more favourable light.

Instead, he boosted Bishop Tutu's image. On January 8 next year, Bishop Tutu will be handed petitions with about one-million signatures of Americans who pledge their support for him and condemn Mr Falwell and the South African Government.

Individuals and organisations in America have campaigned against South Africa because of apartheid and in the past year, the campaign has intensified.

Enemy

Topping the list of the organisations is the Free South Africa Movement (FSAM) in Washington, whose leader, Mr Randall Robinson, could be regarded by the Government as its enemy number one in America.

In the 12 months of its existence, the FSAM has made the South African Government one of the most talked about and most condemned in America.

Every day at 3.30pm a group of demonstrators gather outside the South African embassy and one of them knocks at the door demanding to see the ambassador.

This started on November 21 last year when Mr Robinson led a delegation of anti-apartheid demonstrators who staged a "sit-in" at the embassy, resulting in their arrest.

The incident heralded a new era in the American public's attitude towards South Africa.

Demos

From Monday to Friday every week, the area outside the embassy is a scene of activity. Hundreds of placard-carrying blacks ranging from trade unionists, clergymen, politicians and students have launched protests outside all South African diplomatic posts in America.

They chant slogans condemning apartheid and the American Government's policy of constructive engagement.

Another organisation, Washington Office on Africa, has joined hands with the FSAM in mobilising support from powerful political figures to influence legislation affecting South Africa at Capitol Hill.

But for the officials working at the embassy and other diplomatic posts in America, life seems to have become very unpleasant because of the demonstrations.

The FSAM says many have been leaving to return to South Africa. A spokesperson said he believed that the recalling of Mr Brand Fourie, who was later replaced by Mr Herbert Beukes as ambassador, was related to the demonstrations.

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CSO: 3400/757

SOWETO MURDER STATISTICS

Johannesburg THE STAR in English 28 Dec 85 p 1

[Article by Rich Mkhondo]

[Text] More than 1 300 people were murdered in Soweto this year — an average of 110 a month or three a day.

Figures released by Protea Police Station, Soweto's police headquaters, showed that 1 219 people were killed in the township from January to November.

About 119 of the murders were committed with firearms.

As usual during December the toll rose and it is expected the number could soar to more than 150 by the end of this month. Over the Christmas period alone, 16 murders were reported.

Last year, 1 454 people were murdered in Soweto, making an average of nine every day.

In 1983, 1 408 and in 1982 1 195 murders were reported.

About 1 065 rapes were reported by the end of November this year in Soweto.

An average of 97 a month or at least three rape cases a day were reported this year.

At least 2 789 armed robberies were reported by the end of November, making an average of 254 a month and 10 every day.

At least 287 of the robberies were committed with the use of firearms.

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CSO: 3400/760

SOUTH AFRICA

MILITANT AZAPO CHOOSES SOCIALISM

Durban POST NATAL in English 18-21 Dec 85 p 5

[Article by Kanthan Pillay]

[Text] Former Robben Island prisoner Saths Cooper was elected president of the Azanian People's Organisation at their sixth annual congress at the David Landau Community Centre, Asherville, at the weekend.

And he immediately challenged the United Democratic Front to help call a halt to black-on-black conflict and join Azapo in their struggle to establish a socialist society.

Mr Cooper scored a narrow 10-vote win over Phambile Ntloko of the Eastern Cape.

Mr Cooper said after the congress his immediate task would be to redirect the organisation along the lines of their congress theme Forward to a socialist Azania.

The weekend congress saw the emergence of a more militant Azapo with a greater emphasis on socialism as their alternative to the apartheid government.

Outgoing president Ishmael Mkhabela told the more than 700 cheering delegates and supporters attending the congress:

"The tide has turned against the system of racism and capitalism in South Africa. The system in answer to the so-called 'total onslaught' unleashed horrendous tools of destruction and control under the cover of 'reforms.'

"In the past 21 months nearly 1 000 people have died in township upheavals, activists met mysterious deaths, thousands have been detained without trial mind boggling treason trials have been conducted and townships occupied by the SADF and the police.

"But the regime's twin reform and brutal strategy has not succeeded in quelling the unrest. Our people have turned their backs to passive sympathies of foreign allies and their local counterparts, the affluent fairweather white liberal supporters."

He reiterated Azapo's standpoint that the struggle was for the transfer of power and the land to the black majority.

The new Azapo executive is: president, Saths Cooper; deputy, Nkosi Molala, vice-president for Cape, Mbuyiseli Mahlathi, vice-president for Transvaal, Dan Habadi; vice-president for political education, Lybon Mabasa; vice-president for finance, Haroun Patel; general secretary, George Wauchope; publicity secretary, Muntu Myeza; national organiser, Phambilika Ntloko; projects coordinator, Zitulele Cindi.

Mr Mkhabela arrived a day late for the congress. He said he had been detained by police in Johannesburg shortly before he was due to leave for Durban to attend the congress.

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CSO: 3400/763

SURVEY OF ELITE ATTITUDES IN LEBOWA SHOWS SURPRISING RESULTS

Cape Town THE ARGUS in English 19 Dec 85 p 28

[Article by John D'Oliveira]

[Text] A survey of elite attitudes in Lebowa has contradicted the widely-held view that the current unrest in South Africa was due essentially to the activities of agitators.

Commenting on the survey, Dr Erich Leistner, Director of the Africa Institute of South Africa said the degree to which teachers in the homeland identified themselves with their pupils' radical attitudes and demands was "striking."

The survey was conducted by Professor Johann Malan, of the University of the North, Turfloop, who questioned 120 members of the Lebowa government service, including teachers, teacher training college lecturers and government officials.

Its results will be published in the December issue of the Africa Institute Bulletin, together with articles by Dr Stan Schoeman, an institute researcher, and Dr Leistner.

In his article, Dr Leistner said the survey confirmed the view that very little agitation was needed to switch a community with deep-rooted dissatisfaction and resentment to active protest.

He stressed that the survey was based on the opinions of an elite group in an overwhelmingly rural milieu--a group which served a government which many of them rejected.

"One can surmise that the answers would have been much sharper had the survey been conducted in one of the metropolitan areas.

"It is striking how many of the respondents identified themselves with the radical attitudes and demands of their pupils.

"They will certainly not exercise any restraining influence on their pupils."

Dr Leistner said the survey, together with the analysis by Dr Schoeman, contradicted simplistic, single-cause interpretations which held that the present unrest in South Africa was purely a reaction to racial discrimination or suppression or that it was solely due to hostile agitation.

He said Dr Schoeman had showed that a combination of factors was present but that the factor or the factors which triggered eruptions could differ from one situation to another.

What was of considerable importance was the fact that the widespread dissatisfaction--brought on by a combination of factors--was attributed solely to "apartheid" by the dissatisfied people and their supporters.

Of the 120 Lebowa secondary school teachers, teacher training college lecturers and government officials surveyed, more than three-quarters (78 percent) approved the politically-inspired activities by school children and students which many observers believe is a major component of the present unrest situation in South Africa.

And while some of the respondents were against the use of violence, they all justified student actions on moral grounds as a form of protest against discriminatory policies imposed on them by the white government.

Professor Malan said most respondents evaluated student actions, not against the background of educational interests but against the background of the medium- and long-term political objectives of the black community.

"In this context, they regarded these activities as an indispensable front in the liberation struggle of the black man.

"The general contention is that if less boycotts and violence occur, the Government will not be embarrassed enough to consider the dismantling of apartheid in order to allow for the realisation of the political aspirations of the black majority."

The Lebowa group was divided on the issue of disinvestment: 52,5 percent emphasised the detrimental effects of disinvestment while 40,8 percent approved of it as a political strategy.

More than 90 percent labeled tribalism as grossly over-emphasised in South Africa and saw it as a mechanism used by whites to divide and rule South Africa's black majority--and to discriminate against them socially.

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LEBOWANS HESITANT ABOUT ONE MAN, ONE VOTE

Johannesburg THE CITIZEN in English 28 Dec 85 p 9

[Text]

BLACK intellectuals of Lebowa are hesitant about one-man-one-vote for South Africa; see social segregation as being synonymous with degradation; and reject, outright, the President's Council and Tricameral Parliament.

An in-depth survey on attitudes and perceptions in Lebowa, in the far Northern Transvaal, has been completed by the anthropology department at the University of The North — and has come up with some interesting conclusions.

The survey was conducted among secondary school teachers, lecturers at a teachers' training college and public servants in Lebowa.

Among observations recorded are that:

- The recognition of tribal and ethnic differences is a mechanism used by Whites to divide and rule the Black majority and also to discriminate against them;
- Socially, to secure White domination of public life. The acceptance of independence by national states jeopardises the ideal of a united South Africa in which all citizens are ruled by a single government and share equally in the wealth of the country;
- There are fears that a one-man-one-vote system would result in domination of all other Blacks by either the Zulus or Xhosas -- and that in effect the system would be "implied tribalism";
- There is a fair amount of support for the Government's reform programme — but many Blacks are not convinced that the movement is in the right direction;
- The new constitution elicited some of the "most furious" reactions because Blacks are not represented in the system, with most respondents in the survey rejecting the bodies outright — and some seeing it as a "joint front" by "foreigners" against the Blacks;

Total integration is seen as the ideal and many Blacks believe that a mixed society would not suffer from ethnic conflicts, disunity, inequality and discontent.

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CSO: 3400/757

PONDO, ZULU TALKS FAIL TO BRING PEACE

Johannesburg THE CITIZEN in English 28 Dec 85 p 8

[Article by Tim Clarke]

[Text]

THE threat of fresh tribal violence loomed in Umbogentweni yesterday as talks between the hostile Zulu and Pondo tribes failed to bring peace.

At least 58 people died in a Christmas Day battle between 2 000 Zulus and 3 000 Pondos. Police were yesterday still searching the dense bush nearby for more bodies.

Urgent peace talks arranged by riot police officers yesterday failed to remove the threat of renewed hostilities as the local Zulu chief ordered Pondos to leave today.

Chief Bhekizetha Makhanya told a Pondo delegation at an Umbogentweni community hall they had undermined his authority by appointing their own chief.

He did not say what steps he would take if the Pondos ignored his ultimatum.

Earlier a truce was declared and a strong contingent of police prevented a further clash yesterday when about 1 000 Zulus armed themselves and wanted to march on a Pondo area. They were disarmed and turned back.

Members of the KwaZulu Legislative Assembly are to visit Umbogintwini and Malagazi in the district at the weekend to try and defuse the tension between the two groups.

Contact

The KwaZulu Government representative for Umlazi, Mr Wellington Mabelo, said yesterday he had been in contact with Chief Mangosuthu Buthulezi, head of the KwaZulu nation. The chief had instructed him (Mr Mabelo) to tell the Zulu tribesmen to lay down their arms and to stop fighting.

Mr Mabelo said that he would be accompanied by other members of the KwaZulu Government when he visits the area at the weekend. He wanted to hold talks with the Pondo leaders.

He said as far as could be ascertained the cause of the fighting in which 58 people were killed and at least 20 others seriously injured was water and land rights.

Many of the Zulus were angry because they claimed the Pondos had taken over land belonging to them and were using their water resources.

The Police Reaction Unit is to remain in the area on standby and has been strengthened for possible clashes at the weekend when many of the city workers of both groups will return to the rural area.

About 80 women and children refugees are housed at the Red Cross Centre hall in Durban. Some of the women and children, who fled Umbumbulu when the violence erupted on Christmas Eve, have chosen to go home. But those still in the hall say they will not return home until next week. They fear further clashes at the weekend.

Prof Lawrie Schlemmer said the fighting in shack settlements at Malagazi and Umbogintwini had its roots in intense rivalry for land, water and jobs as Pondos streamed into the area at a rate which caused their population to rise by more than 16 percent a year.

Prof Schlemmer, director of the Centre for Applied Social Studies at Natal University, said: "With the economy in the state it is, it would be a miracle if there wasn't conflict.

Identifiable

"The fact that Pondos have come in such large numbers means they have become identifiable as a group, whereas previously they were treated as individuals."

Traditional Pondo areas are in northern Transkei.

Prof Schlemmer said one of the most precious resources being competed for was the ability to settle near main transport routes, which allowed access to city jobs.

Umbogintwini and Malagazi were "prime sites" in that respect, he said.

"This isn't natural tribalism at work — it's competition for scarce resources. It would be a miracle if conflict didn't break out in any community with rapid growth and a shortage of just about everything."

Disputes over land in particular were a result of an informal system of land allocation, he said.

The fighting this Christmas differed from "the normal fighting in the Umbumbulu area which seems to have been between tribal factions clarifying issues of power," he said.

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CSO: 3400/757

SOUTH AFRICA

SOWETAN RESIDENTS CONCERNED OVER TEENAGE TERROR IN TOWNSHIPS

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 15

[Article by Melanie Gosling]

[Text]

SOWETO residents have expressed concern over the growing incidence of teenage hooliganism in the townships.

Some blame it on the State of Emergency, others on unemployment and the breakdown of the school system, while many simply condemn it as the "thug element" taking advantage of the current unrest.

Reports have increased of gangs of youths, some as young as 12 and 13, openly robbing commuters at bus stations, surrounding cars and forcing drivers at knifepoint to hand over cash, beating up women who break the consumer boycott and sweeping through shebeens "confiscating" liquor.

The cry "siyayinyova" — loosely translated as "let's cause havoc" — has become something of a catchphrase in the townships, and as one resident put it: "When you hear the kids shout that, you had better run. Who can argue with a petrol bomb?"

Is the mob violence sheer hooliganism or is it politically motivated? Sometimes it becomes difficult to distinguish between the two, and as one political scientist put it, attributing it to either becomes in the end simply a value judgment.

The Sunday Star spoke to some Soweto residents on the issue.

Mr George Wauchope, vice-president of Azapo: "There is an unruly, thuggish element in the townships exploiting the current unrest and I would agree that this type is not politically motivated."

Mr Vusi Khanyile, spokesman for the Soweto Parents' Crisis Committee: "We have heard stories of kids forcing adults to eat raw meat and beating them up for breaking the consumer boycott, and we agree these actions do nothing to advance the liberation struggle. We blame it on the State of Emergency, which has suppressed the real youth leaders and destroyed community structures which could deal with these things."

Mr Shimane Kumalo, of the National Institute for Crime Prevention: "Today the youths in the ghettos are more highly politicised than any other generation before. They have become extremely impatient with their parents who they see as having merely accepted political oppression and they are now saying 'enough is enough'. But among them one also finds thugs who do nothing to advance the struggle but simply take advantage of the situation."

Mr Jabu Ngwenya, chairman of the Consumer Boycott Committee: "I can neither confirm nor deny reports of kids beating up people who break the boycott as all the reports have been hearsay. But violence has never been our policy."

Bishop Simeon Nkoane, Bishop Suffragan of Johannesburg East: "I sympathise with the people who organise the consumer boycott because they have no other means of redressing their wrongs. But I am distressed to hear of people being forced to support the boycott by violence or intimidation. Our youth must realise that people can hold different opinions — that is what freedom means."

If it is sometimes difficult to distinguish between youngsters in the townships who are politically motivated and those who are mere hooligans, one resident, who did not want to be named, said it had also become difficult to distinguish between "thugs and cops" in Soweto.

"Cops are being accused of doing the very things a police force is supposed to guard against," he said.

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CSO: 3400/757

PRETORIA BARS U.S. COMPANY FROM VENDA

Johannesburg BUSINESS DAY in English 20 Dec 85 p 2

[Article by Stephen Cranston]

[Text]

ALTHOUGH South Africa claims to bend over backwards for foreign capital and new industries, one United States company was stopped from operating in Venda by the SA authorities.

The African American Trading Company (AATC) wanted to set up a second-hand clothing import business that would export all over Southern Africa from Venda, but not into SA itself.

It was approved by the Venda Development Corporation and the Venda Industrial Development Board, but their opinion was reversed at the request of Piet Barnard of Import Control in Pretoria.

Norris Barker, head of AATC, claims that such intervention was illegal — Venda being an independent country, such matters could only be dealt with through the Department of Foreign Affairs.

Barnard refused to discuss the matter with *Business Day*.

According to Professor G G Maasdorp, director of the Economic Research Unit at the University of Natal, Pretoria has no right to legally prevent Venda from granting an import permit for second-hand clothing.

SA claims to have a "gentleman's agreement" with the other members of the South African Customs Union, which means its wishes as senior partner are honoured.

Justification given for opposing the setting-up of the factory was that "goods might filter back into SA, where we don't want them".

This must be contrasted with the needs of Venda, which has an average annual household expenditure for clothing (5,36 people) of only R200,42.

And 46,6% of economically active females in Venda are unemployed, compared with 20,2% among males.

Barker said he was stopped by Pretoria after two years and R250 000 invested in the clothing venture.

The scheme would not have competed against the South African clothing industry, he said, as it would not have dealt through retailers but directly through hawkers.

According to Rand Afrikaans University Professor Piet Nieuwenhuizen all countries are sensitive about foreign competition with their textile industries, especially if they try to circumvent the tariff barriers.

However, he believes Barker was badly treated by authorities as his enterprise could have helped low-income groups.

Barker has since been attracted away from Southern Africa by incentives offered in Mauritius, and will complete his registration within eight weeks.

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CSO: 3400/768

SOUTH AFRICA

BRIEFS

ALLOCATION FOR BLACK TOWNSHIPS--Government pledged a R19m surprise to black job-creation programmes yesterday with R2m of it allocated to Crossroads, Cape Town. Constitutional Development and Planning Minister Chris Heunis announced in a Press release that the extra R19m his department had made available would go to various institutions "within the next few days." "The money will be used for the improvement of the quality of life of black people, the creation of job opportunities and the upgrading of black towns," he said. The funds form part of a R600m government allocation for the creation of job opportunities. Heunis said this latest allocation of funds brought the total allocated to the creation of job opportunities since July this year to R130m. Crossroads appears to have been allocated a greater share of the R19m than any other township, although Heunis did not list all the recipients. Soweto would get R1m; Kagiso, Krugersdorp, R1,2m; Diepmeadow R1,4m; Tabiso, R1,7m; and Thabong, Welkom, R1,7m, he said. The Natalia Development Board would receive R2,6m, but this was on behalf of all the community councils in Natal, he added.--Sapa [Text] [Johannesburg BUSINESS DAY in English 24 Dec 85 p 3] /9317

DEGREES FOR 7 BLACK UCT STUDENTS--Seven black students who studied at the University of Cape Town on bursaries received from Shell International, will receive science degrees today. In graduating the seven have paved the way for 86 students--71 of whom will study at UCT--to go to university next year. Shell's regional public affairs manager, Mr Don Craig said: "Shell hopes that the scheme will supply a stream of black professional men able to compete successfully in the market place and to contribute to the prosperity of our economy. "The scheme will ultimately cost R10-million by 1997." The seven started on their studies five years ago when Shell, in co-operation with UCT and a number of private boarding schools, embarked on a unique scholarship scheme. It placed equal emphasis on educational upgrading and the bridging of culture gaps after selecting promising black matriculants to spend a post matric year at private boarding schools before going to university. [Text] [Cape Town THE ARGUS in English 12 Dec 85 p 5] /9317

CSO: 3400/760

SOUTH AFRICA

OPINIONS GIVEN ON POSSIBLE SOLUTIONS TO CRISIS

Johannesburg SASH in English Nov 85 pp 11-15

[Text] For the current issue SASH sent out letters to nine political leaders and thinkers to gather some practical opinions on a way out of the present economic and political crisis. The nine people canvassed were Mr F.W. De Klerk, leader of the National Party in the Transvaal; Mrs Helen Suzman, Member of Parliament for the Progressive Federal Party; Mr Clive Derby-Lewis, chairman of the Johannesburg Region of the Conservative Party; Mr Chris Dlamini, national president of the Federation of South African Trade Unions; Dr Oscar Dhlomo, secretary general of Inkatha; Mr Ishmael Mkhabela, president of the Azanian People's Organisation (AZAPO); Dr Beyers Naude, general secretary of the SA Council of Churches; Rev Bishop Desmond Tutu, Bishop of Johannesburg, and the executive committee of the United Democratic Front (UDF) whose leaders are not available as they are mainly all on trial for treason. Finally, a press release previously issued was requested from representatives of the business community.

Four of these offered their apologies as they did not have time to reply. Solutions put forward by the other six are presented here in random order.

National Cultural Liberation Movement

1. Do you see a peaceful solution to the present political impasse?

Yes, I do, but a lot depends on what both the government and the governed are prepared and willing to do within the next 12 to 18 months.

2. If so how do you visualise its achievement?

(a) The government must first prepare a political climate conducive to negotiation and peaceful change. All political prisoners and detainees must be released, all banned organisations must be unbanned, all exiles must return and the State of Emergency must be lifted.

(b) The government must then issue a Statement of Intent declaring its willingness to negotiate an apartheid-free political dispensation with representatives of all groups. It must be impressed upon the government that as long as ethnicity and apartheid are elevated to the status of constitutional principles, there shall neither be stability in nor international respect for South Africa. For this reason the Statement of Intent must also give an undertaking that South Africa, including the so-called independent homelands will be re-unified along geographical and not ethnic lines.

(c) Having issued a Statement of Intent the Government must then summon a National Convention to work out an apartheid-free constitution with representatives of all groups. This need not necessarily be called a National Convention if the Government has problems with that name. What is important is the agenda or the intention of such a gathering, and not the name.

(d) Advocates of peaceful change must then close their ranks regardless of political differences and stop paying lip service to the notion of peaceful change. In other words they must unequivocally eschew violence from both the state and the revolutionary activists. They must speak out equally when police brutality rears its ugly head in our townships as when citizens kill, maim and burn other citizens alive simply because of political differences. Here one assumes that we are not fighting white dictatorship to replace it with black or brown dictatorship.

(e) Once the talks about a new apartheid-free constitution have begun, a broadly representative and high profile group of South Africans must be sent to Africa, America, Western and Eastern Europe to request these countries to support and encourage the initiative to establish a new political order in South Africa. This group should consist of representatives from the following: ANC, Inkatha, UDF, PAC, National Forum (or AZAPO), Trade Unions, churches, National Party, PFP, Conservative Party, business, homeland governments, House of Delegates, House of Representatives, independent homelands.

(f) Once agreement has been reached on a new constitution at a National Convention, free and fair elections should be held to elect a new government. If necessary, elections should be supervised by an impartial international commission. All parties participating in the election should give a prior undertaking that if they won they would form a government of national unity representing all the groups in South Africa. This should be the case for at least the first 10 years of existence of the new government.

(g) To avoid a debilitating civil war before and after the elections, we must desist from being judgemental as to who are so called 'representative or authentic' leaders, who are 'stooges, puppets and paid employees of the government' or who are 'celebrity or spokesman leaders without constituencies.' Let us leave those judgements to the voters of South Africa. All we should ensure is that as many representatives as possible are present at a National Convention and that no one who claims a following is excluded simply because an all-knowing spokesman has decreed that he is not 'authentic' or 'has no constituency.' We should rather have more than fewer representatives at a National Convention.

Dr Oscar Dhlomo
Secretary-General

Conservative Party of South Africa

In view of the disastrous consequences world-wide of both power-sharing and majority rule, South Africans of all racial groups are becoming more aware of the fact that South Africa is moving in the same direction and that there is a need for a practical political alternative to the National Party's 'step in the dark' constitution, in order to re-establish a state of stability, peace and prosperity in the region.

To achieve a peaceful solution to the present political impasse, we require first of all, a general election for the whites. Should the National Party government be rejected and the PFP also suffer the same fate--which is likely--then the Conservative Party would come to power.

The Conservative Party's policy of partition is the only course which can provide for peaceful coexistence in South Africa. The struggle in Southern Africa is a struggle for self-determination--a self-determination which cannot be attained without each nation having its own area of jurisdiction (territory). As self-determination is in effect a people's right to govern itself, this right cannot be exercised in a common territory.

As partition brought relative peace to Europe, Cyprus and the Indian sub-continent, so too will it bring peace to South Africa; partition led to the establishment of Europe as it is today; the partition of Cyprus into a Turkish and a Greek territory has brought peace, and the partitioning of the Indian sub-continent into Bangladesh, Pakistan and India has limited the continual bloodshed and violence. Extended to the Sikhs, peace will return once again to mainland India, at present torn by Sikh/Hindu conflict.

Local government

In effect, all groups will exercise local government control over their own urban areas, but parliamentary expression of a nation must be exercised in the territory of that nation. A coloured living in Coronationville, a Zulu living in Soweto, an Indian living in Lenasia and a white living in Johannesburg will have the same political rights--they will send their parliamentary representatives to their national halls of power as the white voter of today sends his representative to Parliament in Cape Town.

The whites have no reason to feel either ashamed or guilty of what they have achieved in South Africa. In spite of limited financial resources, the standard of living of all nations residing in Southern Africa is the highest in Africa and is higher than that enjoyed by any Third World country. Surely then whites can feel proud. Surely they too, have earned the right to a land of their own where they can live in freedom.

They are an indispensable factor in determining the future of South Africa; no solution which is not acceptable to them in terms of security and stability will work.

Once political independence is a reality, a European-type situation will prevail in South Africa. Economic interdependence will ensure the smooth running of the sub-continent and will result in the weaker areas of the economy being strengthened. Political independence will eliminate the potential for conflict, will ensure the retention of national identity and will exclude all possibilities of political domination by any one nation over another.

Clive Derby-Lewis
Johannesburg regional chairman

United Democratic Front

At present SA is in the grip of war, a massive war launched by the apartheid government against the people of SA. The peace has already been breached for some decades. Perhaps it is more accurate to suggest that modern SA was created through conquest of the country's black inhabitants. Ever since the creation of Union, the majority of South Africans have lived as prisoners within their own country.

The present state of emergency is a condition of heightened conflict because the people's resistance to continued aggression has in turn produced more vicious state repression than has been witnessed evey by previous South African standards.

Apartheid cannot exist peacefully. It depends for its continued existence on violence against most South Africans. Neither that aggression nor the people's resistance will cease till apartheid is no more.

Some people suggest that a solution can be negotiated. We do not rule out negotiation for all times and circumstances. We have often stated, however, that negotiation cannot even be contemplated while leaders are in jail, organisations banned and the SADF and SAP are in existence. But even if these and other pre-conditions were met, the question remains: who negotiates and about what?

We believe that representative leaders are entitled to negotiate on the people's behalf. By representative leaders we mean people who are accountable to democratic organisations.

This is not to say that they can negotiate on an 'open agenda' without preconditions. There are some things that are non-negotiable. The people have made it clear that they will accept nothing less than full democratic rights in a non-racial South Africa. Those are rights accorded to citizens in all democratic states. To suggest that we bargain over such questions a universal suffrage is to query universally accepted fundamental freedoms.

We would prefer this to be achieved peacefully. The UDF would support negotiations that might ensure this. But the fundamental character of the future South African state could form no part of such negotiations. The apartheid government cannot bargain with the people over their rights.

Apartheid must go. How it is removed depends in the first place on those who rule SA at present. They chose violence. They rule by the gun. They have consequently evoked military and other aggressive responses. They will have to lay down their arms first. Peace will demand the disbanding of the apartheid army and police. Once apartheid is no more, once its apparatuses are removed, the people themselves will build a democratic SA. Until that is achieved there can be no peace. Once that is achieved, all South Africans, black and white can determine their future together.

Statement by the United Democratic Front, October '85.

Business Community

ASSOCOM, NAFCOC, FCI, Urban Foundation

In August, organisations claiming to represent the 'great majority of commerce and industry' put out a press statement which suggested an approach which could contribute towards breaking the current stalemate.

The organisations are Assocom (Association of Chambers of Commerce); Nafcoc (National African Chamber of Commerce); FCI (Federated Chamber of Industries); The Urban Foundation.

Below are extracts from their press statement which started by expressing concern 'about the deteriorating state of the economy' and the need to 'overcome the negative prevailing political perceptions through positive and imaginative action to restore business confidence'... It is impossible to 'seek out new investment opportunities and to create much needed employment...in the current climate of political instabilty.'

"Underlying the situation is a deep mainstream of legitimate black aspirations seeking recognition and accommodation in decision-making structures up to the highest level. This is a major dynamic of South African society which security action alone cannot resolve. Such aspirations will have to be addressed by a process of serious negotiation with the whole spectrum of accepted black leaders.

No real negotiation is possible without normalising the security situation through lifting the partial State of Emergency as soon as circumstances permit. Equally essential is a commitment by Government that it will deal even-handedly with the accepted leaders of the black community, even if some of these are currently in detention.

Normalising the situaion can only come about if all the country's people realise that they have a shared destiny to be arrived at through serious negotiation between partners of equal negotiating status.

In the area of negotiation with blacks, commerce and industry have in recent years been in the front line. Implementing the new labour dispensation (to accommodate legalised black trade unions) has brought fresh insights and much experience. That background suggests that the following approach could contribute towards breaking the current stalemate:

(a) Prior to formal negotiation the agenda (to serve as the basis for subsequent negotiation about reform) to be discussed must be deteremined. Unless all relevant black and white leaders can be assured during this pre-negotiation stage that the issues which they regard as vital to their own respective futures will indeed be subject to serious negotiation, they are unlikely to come to the bargaining table.

(b) In turn, an effective dialogue aimed at agenda setting can occur only if government states publicly a clear acceptance of an open-ended agenda.

(c) Once the essential agenda points have been cleared with all accepted black and white leaders, the negotiation process can begin. Certain basic assurances or pre-conditions from the government may well be necessary, such as, for example, an undertaking to move away from racial discrimination in the affairs of state. But these will also emerge during the agenda-setting phase.

In addition Nafcoc wished to assist in clearing the way for his (Mr Nelson Mandela's) release, as well as that of other political detainees, albeit on an unconditional basis.

'The organisations are convinced that in the interests of getting even-handed and credible negotiations with all accepted black leaders off the ground, a formula must be found to allow these leaders to participate in the essential agenda-setting process outlined above.'

Finally, the statement deals with a warning to government about the negative effect of policies of 'economic isolationism and a controlled economy' in response to pressures, like boycotts and disinvestment, on the investment climate, employment etc.

Foreign and domestic investors are concerned about 'poltical stability coupled with reasonable after-tax returns.' Economic controls (such as rationing devices in the areas of foreign exchange, imports prices and wages) will not rectify the situation.

'Our survival depends on making the necessary structural changes to uphold the political, social and economic values of our major trading partners in essence, the great democracies of the world.'

To this end, the organisations undertake to remain actively involved in 'research and mediation' on issues such as 'various constitutional options,' conditions for abolishing influx control, development of small business enterprises, eliminating obstacles in the way of common citizenship and introducing a 'non-discriminatory and vocation oriented education policy' for black advancement and to remove 'the constraints on productivity and competitiveness in the country.'

Progressive Federal Party

Helen Suzman, Member of Parliament for the Progressive Federal Party, chose to come into the Black Sash office to be interviewed.

Apart from briefly putting forward PFP policy (universal franchise in a federal system for the devolution of power) as a peaceful solution she also had this to say:

"It's so useless for us to advise the Government what to do. The object is to get into power, then you can make the necessary changes. A government is elected to carry out the policy on which it was elected."

Influence the white electorate

'You've got to get the white electorate that put the Government in power to change its mind about what sort of government it wants. Hopefully, the white electorate will come to its senses and realise the apartheid which got the government into power nearly four decades ago has been a total disaster. We must change to a totally different solution.

The Government is making reforms but the fundamentals of apartheid--race classification, group areas, separate education and influx control--have not been affected yet. So we've got to change the government.

In the short term, you are not going to change the Government by violence. This Government is far too strong. I can assure you that its full military and police powers have not even been unleashed yet. Therefore, the idea of a successful revolution around the corner is quite unrealistic.

The use of outside pressure

Outside pressure has its use. However, it gives young black people the idea that victory is around the corner and that a transfer of power from white to black will happen overnight. People don't understand this Government if they think that it's going to take much longer than they think and the pressure must continue from outside.

One of the positive signs of response to international pressure has been the awakening of the business community. The sanctions that have been imposed don't really mean anything. They are of political rather than economic importance. Except, for instance, new bank loans. The country needs capital to maintain any growth, and anything that retards economic development is self-defeating. Black advancement up the economic ladder, I believe, is one of the major forces for change.

National Party

Mr F.W. De Klerk addressed a public meeting in Pretoria on September 19 on the question of the road ahead. His office supplied a copy of his speech and relevant extracts are presented here.

What does the National Party say? Where are we really going with reform and change?

In a nutshell this is it...

The NP wants to establish an understanding between all peoples and groups in South Africa--an understanding that will enjoy the support of the reasonable majority from all groups.

This can only be attained through reform. Without fundamental adjustments and imaginative development, the existing political and other infrastructure is incapable of gaining majority support amongst all population groups.

The NP has accepted the challenge to develop a ground plan which can retain majority support of the whites and gain majority support of all other groups.

It is the NP's conviction that a ground plan should conform to definite requirements. I name six for you, and you can add more:

1. Self-determination on a group basis must be the starting point. Therefore every people or group must have its own political power base and certainly that its security, existence and character can effectively be protected in the long term.

2. In respect of common interests there must be a form of common responsibility. A practical formula which can be carried out must be built in to make certain that one group cannot dominate another. To change one form of domination for another is no solution.

3. In order to gain acceptance, any ground plan will have to provide veritable and full participation for all those who are engaged in it.

Any system aimed at keeping some of its participants in a subordinate position through clever or devious means is doomed to failure. It must be visibly and honestly just and equitable towards everybody.

4. A ground plan will only gain wide acceptance if all participants can be convinced that they will benefit from it in the economic, social and educational fields.

To put it more clearly:

The whites will have to be satisfied that there is no threat to their own community life and existing standards.

And all other groups and peoples must feel convinced that they will make progress and that their quality of life will substantially improve within a reasonable period.

Altogether, everybody wants the assurance of a reasonable share in the resources available to our country.

5. Discrimination--as a concept distinct from differentiation--must be eliminated. While it is necessary to differentiate on a group basis, all measures with a humiliating or degrading effect on the individual should be repealed.

Differently put: a proper balance should be struck between group rights and group protection on the one hand, and the freedom and rights of the individual on the other.

6. The entire question of SA citizenship and the rights of blacks to share in it is fundamental to majority support by all for a ground plan.

In these simple strategies is the NP's ground plan. In this framework the NP will build a safe and successful future for all our country's people.

Translations by Dr Eugene Rollnick

/9317
CSO: 3400/785

SOUTH AFRICA

GALLUP POLL SAYS OUTLOOK FOR NATION IN 1986 LITTLE CHANGED

Johannesburg THE CITIZEN in English 28 Dec 85 p 12

[Text]

DESPITE the economic crisis and escalation of urban unrest the outlook of South Africans generally has not changed significantly over the past 12 months, according to a recent Gallup poll.

The study was part of a year-end poll conducted worldwide by Gallup International. The South African section was taken by the Markinor Research Group from 1 000 Whites and 800 urban Blacks.

White South Africans are divided as to what 1986 will bring while Blacks are gloomy about prospects for improvement in the country.

Fifty-three percent of Blacks expect 1986 to be worse than 1985, 14 percent expect conditions to improve and 16 percent expect no change.

White opinion is evenly split with 40 percent expecting conditions to deteriorate, 40 percent expecting improvement and 13 percent expect things to coninue as they are now.

At the end of 1984 results were almost identical. Fifty-two percent of Blacks and 37 percent of Whites believed that things would get worse.

Only 17 percent of Blacks and 14 percent of Whites believe that 1986 will see fewer strikes.

Fifty percent of Blacks and 57 percent of Whites anticipate an increase in labour unrest in 1986.

/9317
CSO: 3400/759

CORRESPONDENT ANALYZES BOTHA'S YEAR

Cape Town THE ARGUS in English 6 Dec 85 p 22

[Article by Tos Wentzel]

[Text]

PRESIDENT P W Botha is coming to the end of an extremely busy and trying year.

Next week, as Chancellor of the University of Stellenbosch, he will make his last public appearance for the year at the university's graduation ceremonies. He speaks there on Thursday.

Then he will be on holiday at his house at the Wilderness where he will celebrate his 70 th birthday on January 12

Political friend and foe must agree on one point: For a man of his age Mr Botha is extremely hardworking and fit. He often does not even have weekends to himself and recently he has had engagements on Sundays as well.

How trying the past year has been for him is not always clear. While many other South Africans feel uncertain about the future and even despondent Mr Botha has consistently had an optimistic approach, sometimes so optimistic that it borders on the unrealistic.

Resilience is a fine characteristic in anyone but, when one reads some of Mr Botha's statements, such as the one accompanying the announcement of the lifting of the state of emergency in eight relatively minor magisterial districts this week, one sometimes wonders who is advising him.

To ascribe the unrest, as he did, to a revolutionary climate being instigated from abroad and to say that the unrest in "a few" residential areas is not the result of a lack of reform but is being fanned by radical elements is, to say the least, a somewhat simplistic approach.

Some of the reasons for the unrest lie far deeper, in deplorable social conditions in the townships, the economic situation and frustration about the new constitutional system.

To say that there is unrest in only a few areas is also not quite giving the full picture.

A police unrest report which appeared in the newspapers on the same day as Mr Botha's announcement of the partial lifting of the state of emergency showed that there had been trouble in the townships right from Soweto to Kimberley, to Stutterheim in the Eastern Cape, Port Elizabeth, Oudtshoorn, Paarl and in three Cape Town areas.

The state of emergency is therefore not really working.

It is clear that in the new year one of Mr Botha's top priorities is going to be negotiations about changes in the present constitutional system in order to accommodate blacks in some way in decision-making at the central level of government.

After his meeting with five of the self-governing black states Mr Botha said that what he described as common principles which could form the basis for negotiations on South Africa's constitutional future could now already be drawn up.

He reaffirmed principles formulated earlier this year — one undivided South Africa, one citizenship, the franchise within institutions decided upon by South Africans alone and the sharing of decision-making powers subject to the principle that minority rights must be protected.

While it has been said that federation is one of the options that can be considered there is reluctance in Government circles to do so, for the rather petty reason that this is seen as mainly an Opposition idea.

Mr Botha clearly does not have in mind a fourth parliamentary chamber for blacks. All he has firmly announced so far is that he is willing to have black members of the President's Council, but it seems doubtful that black leaders will accept this offer.

As it is, Chief Mangosuthu Buthelezi of Kwazulu, leader of the biggest black group, did not attend the talks in Pretoria.

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CSO: 3400/762

END CONSCRIPTION CAMPAIGN GAINS MOMENTUM, SUPPORT

Johannesburg SASH in English Nov 25 pp 26-27

[Article by Clare Ver Beek]

[Text] Opposition to conscription and the role of the SADF reached an unprecedented high in September when thousands of people across the country attended mass rallies and participated in the End Conscription campaign's Peace Festival.

A fast marked the end of the ECC's 'Troops out of the townships' campaign, which started on September 17, the International Day of Peace.

SADF actions arouse ECC support

The growth of the End Conscription Campaign over the past year is directly related to the extensive use of SADF troops in black townships and in neighbouring states. Widespread assaults and harassment of township residents by the SADF; the firing of teargas and bullets at funerals; and the use of troops to arrest pass law offenders are actions which cause young conscripts and their families to face an acute crisis of conscience.

It is becoming increasingly clear that the use of the army in townships will not stop the violent conflict. As one township resident put it during the 'Troops out campaign,' 'You cannot put out a fire with gasoline.'

More and more South Africans understand that the violence of apartheid is the real reason for black resistance, even if they do not agree with the forms that resistance takes. They know that a just and enduring peace will only prevail when the root causes of conflict--minority rule and the system of apartheid--are eradicated. The political problem of apartheid requires political and not military solutions. Thus while the security forces continue to play their repressive role in the country, there can be no possibility of participation on equal terms, in dialogue towards a peaceful resolution of the conflict.

Support for the call to end conscription as a positive step towards the building of a new society has come from conscripts, their families, religious groupings and the international community.

More conscripts fail to turn up

There is an increasing number of conscripts who fail to report for duty. Whereas in 1984, 1 596 men did not obey their call-up orders, this number increased to 7 589 for the January 1985 call-up alone. At the same time, conscripts are refusing to take part in SADF actions in the townships. In July, Rifleman Alan Dodson, a law graduate serving a one-month camp, was courtmartialed for refusing an order to go on a vehicle patrol in Durban's townships. He was fined R600.

Not only young men, but their parents too, are expressing opposition to the role played by the SADF. In Grahamanstown and Stellenbosch, a number of men conscripted in to 'Dad's Army,' including Professor Andre Brink, have refused to register and participate in army activities.

In a discussion around the theme 'Sons in the streets, sons in the hippos' convened by the Johannesburg Black Sash as part of the ECC 'Troops Out' campaign, black and white mothers whose sons could literally be at the opposite ends of an army gun, expressed their concern at the effects of the escalation of violence of South African society. Indelible scars are being left on the minds and bodies of children by the militarisation of our society.

'White mothers,' said one woman, 'should join their sisters in the townships where the battle rages.' As a result of this discussion the women agreed to meet again and work out a joint programme of action.

Support rallies from many sources

The breadth of support for the ECC's campaign is indicated also by the thousands who joined the National Fast for a Just Peace--prominent individuals from the religious and business communities--a military chaplain from Stellenbosch, a group of Jewish students and their rabbi, a coloured family of eight who fasted in relays for three weeks, township residents and squatters, white school children and their teachers, trade union leaders and soldiers still in the army.

A wide range of international peace groups have also supported the ECC. They have cited the United Nations Declaration of Human rights and the Nuremberg Principles which recognise the right of freedom of choice with regard to the taking up of arms and taking of life.

State, and others attack ECC

Predictably, the growing support for the ECC has also led to a number of attacks on the campaign by high-ranking government and military officials and press columnists. Two weeks before the start of the 'Troops Out' campaign, four prominent members of ECC were detained under Section 29 of the Internal Security Act, and the homes of 20 ECC members across the country were raided.

Recently, the Deputy Minister of Defence accused ECC of being a pawn in the hands of the ANC. Where is the evidence of this? It is significant that the ECC has thrice challenged the SADF to debate, all of which invitations to state their case have been refused by the SADF. Secondly, the Natal courts ordered the release of ECC members from detention on the basis that there were not reasonable grounds to hold them under Section 29.

ECC's motivation

The ECC is a front of 46 organisations whose opposition to conscription is based on the fundamental belief that individuals should be free to choose whether or not to serve in the SADF. The ECC is not affiliated to or taking orders from any other organisation. It is the role of the SADF itself which has caused the growing movement against conscription and the increasing commitment of South Africans to building a democratic, just and peaceful future for all.

/9317
CSO: 3400/785

PAST PRESIDENT OF SAIRR DISCUSSES INEQUALITIES IN EDUCATION

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 14

[ARticle by Franz Auerbach]

[Text] Is equal educational opportunity coming closer?

If one studies overall statistics, the answer is yes; the quality gap is narrowing, though there's a long way to go.

We must, however, remember that the main problem of State education for black and "coloured" pupils is that it has lost credibility with the people concerned.

To regain this, improvements are not enough. There must be visible change towards shared policy control at the centre: black educators and public figures must have a share in determining policies and priorities. Some steps in this direction have been taken, but they have not yet become visible and effective.

If the new Department of National Education had some really senior officials other than white, this might help.

But let us compare some indicators of educational quality: "vertically" by comparing 1979 and 1984 figures; "horizontally" by comparing data for our four "race" groups. The research staff and surveys of the SA Institute of Race Relations have been indispensable in providing many of the details that follow.

1. Pupils, teachers and pupil-teacher rations.

The number of pupils has risen from 6,5 million in 1979 to 7,8 million in 1984. The increase in the non-African groups was between 3,6 and 7,5 percent; African enrolment rose by 26,7 percent. More dramatically, 93,3 percent of the total pupil increase was African.

The number of teachers increased from 182 000 to 230 000. And we can look at the number of pupils per class, one good index of quality.

PT Ratio	African	Coloured	Indian	White
1979	47,5	30,1	25,7	19,6
1984	46,7	26,0	23,0	18,9

Much improvement here, though the African figure is still more than double the white. The De Lange report recommended an average of 30 for all groups. And one must remember that the real number of pupils in most classrooms is probably 40-50 percent higher than these statistical averages.

2. Distribution of pupil enrolment, 1984 (Brackets: 1979)

	African	Coloured	Indian	White
% in Grades 1 & 2	31,6 (34,9)	24,7 (29,6)	17,6 (21,5)	16,3 (19,0)
% in sec classes	18,9 (14,7)	22,3 (17,5)	34,4 (30,0)	39,2 (36,5)
% in Std 10	1,7 (0,5)	1,9 (1,1)	4,7 (3,5)	6,1 (5,7)

We shall have a close look at Std 10 figures presently; in the meantime one must point out that falling birthrates have caused the enrolment of beginners (except that of African pupils) to drop by about 15 percent since 1977/78.

This produces a slight change in percentage distributions; in a regular one, the normal figures for the first two school years is probably about 19 percent.

3. Std 10 enrolments and passes.

Enrolments	African	Coloured	Indian	White	Total
1979	23 200	8 428	7 538	53,993	93,159
1984	96 365	14 448	10 830	59,800	181 443

Bar diagrams will show how the ethnic mix of Std 10 pupils has changed.

1979

WHITE 54,000 - 58 percent
INDIAN 7,500 - 8,1 percent
COLOURED 8 400 - 9 percent
AFRICAN 23 200 - 24,9 percent

1984

WHITE 59 800 - 32,9 percent
AFRICAN 96 300 - 53,1 percent
INDIAN 10 800 - 6 percent
COLOURED 14 500 - 8 percent

Passes

1979	Total	11 102	6 779	4 549	46 478	68 908
	Univ	4 381	2 456	1 595	24 280	32 712
1983	Total	39 815	7 894	9 059	51 426	108 194
	Univ	8 128	1 679	3 552	26 094	39 453

While the overall pass rate for Indian and white pupils has remained almost static at 87 percent and 94 percent respectively, the rate for "coloured" pupils has dropped from 88 percent to 71 percent, and that for Africans from 70 percent to 49 percent. The sharp drop in the African and coloured pass rates has many causes; where four times as many write, many must be less well-prepared when reaching Std 10; experienced teachers will be in short supply, and the influence of school boycotts must also be considerable: many pupils have missed much schooling.

4. Holding power.

Far more pupils reach Std 10. If one shows the 1984 matrics as a percentage of those who started school in 1973--with figures for those who began in 1963 for comparison, the picture is as follows: Africa 13,2 percent (2); coloured 13,4 percent (4,4); Indian 52,2 percent (22); white 72,8 percent (58,4).

These are substantial gains in all groups, though cynics might say that the gains in the last two groups are the largest...

5. Finally, let us look at teacher qualifications

1979	African	Coloured	Indian	White	Total
N	97 912	24 676	8 335	51 690	182 613
Prof + Degr	2,1%	5%	19%	ca 35%	
Prof + Std 10	14,7%	26%	61,3%	ca 63%	
Prof	79,1%	93,5%	90,6%	ca 98%	
Unqu + no Std 10	13,6%	2,3%	2,6%	ca_____	
1984	African	Coloured	Indian	White	Total
N	138 257	29 358	10 011	52 403	230 029
Prof + Degr	2,1%	3,7%	25,4%		
Prof + Std 10	28,1%	54,5%	57,0%		
Prof	81,3%	92,9%	89,5%		
Unqu + and Std 10	10,9%	3,1%	1,9%		

No new data for white qualifications were available, but these have probably not changed significantly since the De Lange report. More than 30 000 teachers have obtained Std 10 certificates in the last five years--a big achievement.

However, it is clear that people with degrees have not been attracted to African and coloured education: the African percentage has remained static at 2,1 percent (while high school enrolment has risen by 63 percent); the number of coloured teachers with degrees has actually dropped from 1 234 to 1 086. What is also disturbing is that African education departments still had to employ some 14 000 people as teachers who lacked both Std 10 and teaching qualifications. (All figures include TBVC countries).

It is clear that there have been great improvements: the holding power of schools has risen significantly; significantly many teachers are better qualified; the number of those who pass Std 10 has risen rapidly, though with great strains on quality; even the magic per capita figure shows relative improvement: from the African figure being 9.8 percent of the white one five years ago it is now 14,1 percent of the white figures in the same year (1983).

But, to repeat, improvements are not enough to restore confidence in the education system. There must be visible sharing in the planning of education by the new Department of National Education. And without addressing urgently the question of sharing political power the perceptions of black people, young and old, will not change. As Mr H.H. Dlamlenze, veteran teacher leader, and member of the Soweto Parents' Crisis Committee told a Cape Town teacher conference in July "...school boycotts will continue until blacks are represented in Parliament by blacks."

1986 is almost here. I wish it could harness the vast energies and idealism of young people to constructive social ends, such as enriching their own education outside the system, eradicating adult illiteracy and relieving poverty and distress.

If teachers could be encouraged to regain their self-confidence and together with the young and the powerful aspirations of most sectors of the South African community could plan to extend education in breadth and in depth, perhaps we could commemorate the sacrifices of 1976 next year not by self-destructive education boycotts, not by "liberation now--education later," but by "use education to speed liberation."

/9317
CSO: 3400/758

UCT DEFENDS CONTROVERSIAL 'TORTURE' REPORT

Cape Town CAPE TIMES in English 18 Dec 85 p 11

[Text]

THE Institute of Criminology at the University of Cape Town yesterday defended its "torture" report and urgently called on the Minister of Law and Order, Mr Louis le Grange, to bring about changes that would "eradicate entirely the possibility of torture in all forms of security and emergency detention".

It said the official figure quoted by Mr Le Grange, of 138 reported assaults during detention over the past four years, was in itself "considerably disquieting and in other countries would constitute sufficient grounds for a major commission of inquiry".

The institute was responding to what the Burger last week termed a "blistering attack" on the torture report published in September, in which it was stated that 83 percent of former detainees interviewed in a 2½-year study had claimed they were assaulted while in detention.

Mr Le Grange released to the Burger a table of statistics showing that of 1 007 people detained under the Internal Security Act between June 1982 and October this year, 138 — some 13,7 percent — claimed they were assaulted while in detention. In most cases, the table showed, the attorneys-general declined to pursue the charges.

Yesterday's UCT statement was issued by Mrs Mana Slabbert, acting director of the Institute of Criminology, Dr Don Foster, lecturer in psychology and one of the authors of the torture report, and Professor Dennis Davis of the faculty of law at UCT, and a consultant to the report.

It defended the torture report as having produced "good and sound social scientific evidence".

It said official departmental statistics did not constitute scientific data, and that Mr Le Grange's claims that official figures from the Directorate of Security Legislation refuted the findings of the torture report could not be sustained.

"The directorate's figures of 13,7 percent of reported complaints of assaults during detention does not mean that the real number of assaults was only 13,7 percent.

"In fact, following quite standard theory in criminology of the 'hidden figure of crime', it is well known that report figures in all areas of crime are considerably lower than actual occurrences of the crime.

"Former detainees may not report assaults for any one of the following reasons:

● Fear of further victimization by the authorities;

● Lack of confidence in the legitimacy of the legal process;

● A sense of futility in relation to the legal process;

● Lack of financial resources to proceed with legal claims.

"The problem of prescription is that assault charges lodged six months after the event occurred will not be enforced. In this regard it should be recalled that the torture report found the average period in detention to be over four months, and that many detainees have been held for periods longer than four months, and would not be legally permitted to lodge assault claims."

The institute said repeated attacks on the torture report on grounds that names of interviewers and respondents were not given, "amounts to precisely nothing.

"It is never the standard practice in psychological, medical or social scientific research to furnish such identities. On the contrary, it is standard ethical practice in social science to guarantee confidentiality of respondents."

The institute said no research findings stood entirely on their own, and it was notable that neither Mr Le Grange nor other critics had mentioned that the general thrust of the torture report's findings were supported by other work.

It added: "The medical evidence of Dr Wendy Orr in the recent Port Elizabeth temporary interdict case provides substantial additional data of a very similar nature.

"Most recently, damning evidence of police treatment of detainees was provided by the Nair and Soni cases heard in the Durban Supreme Court.

"In summary it may be added that the purpose of the (torture) report was not to discredit the authorities but on the contrary to investigate whether failures in the system of safeguards for security detainees may occur, and to that extent to suggest legal and other principles which would prevent the possibility of any abuse, physical or psychological, to security detainees."

The institute said the South African system of safeguards in detention fell far short of that in Northern Ireland or Israel — countries which had found it necessary to use security legislation.

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CSO: 3400/758

SOUTH AFRICA

UWC APPLICATIONS DROP BY 1,700

Cape Town THE ARGUS in English 13 Dec 85 p 3

[Text]

APPLICATIONS for admission to the University of the Western Cape have dropped by 1 700 and rector Professor Richard van der Ross has "no doubt" the crisis in coloured education is to blame.

The downturn could also mean that State financial assistance to the university — calculated on the number of students admitted — might decrease, Professor van der Ross said.

Pupils usually applied to study at UWC through their schools but the majority of schools in the Peninsula — UWC's main "catchment area" for students is the Western Cape — were not functioning during the schools boycott and the machinery for applications broke down.

He said only 2 200 applications had been received, compared with 3 900 this time last year. This could affect State aid for UWC, but only in two years' time as subsidy calculations were based on admission figures two years previously.

A surge

"A large number of matric candidates still have to write supplementaries and we expect a surge in the number of applications next year.

"We hope the supplementaries will be written early so that we can process applications," he said.

Twice-postponed final exams for UWC's 7 600 students would start on January 6, he said.

Timetable

"Every student has been sent an exam timetable and I am calling on students to see that they are prepared to write," he said.

A questionnaire circulated among students before the end of the academic year to give UWC's administration "an idea of how many students would write" had shown 99 percent in favour and only one percent against, he said.

Of more than 2 000 questionnaires returned only 20 students had said they did not want to write, Professor van der Ross said.

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CSO: 3400/758

JUDICIARY URGED TO RECOGNIZE TRADITIONAL CUSTOMS

Durban POST NATAL in English 11-14 Dec 85 p 5

[Article by Kanthan Pillay]

[Text]

SOUTH African law and the courts should recognise traditional customs along with Christian values, Mr Ebrahim Bawa, director of the Islamic Council of South Africa, said this week.

A report of the South African Law Commission last week called for sweeping changes in the laws governing traditional African marriages and a greater emphasis on the rights of African women — but recognised that traditional African customs should not be tampered with.

The report also accepted the inevitability of the practice of polygamy and stated this should not be prohibited.

"If the South African Government can recognise a parallel system of jurisprudence for Africans, then they should recognise similar systems for Indians and Muslims," Mr Bawa said.

"Up till now, on questions like that of polygamy, the courts have taken a Christian approach to decisions. Christianity does not recognise polygamy, although some African, Indian and Muslim laws do.

"But lately, there has been greater emphasis from the Government on preserving cultural values and traditions and we are likely to see some change," he said.

Mr Bawa said although it was important to recognise the place of polygamy in traditional customs, it was a practice which was dying out.

"Polygamy is rare today. It is an almost non-existent phenomenon among the South African Muslim community," he said.

"There are many reasons for this. Firstly, economics dictate that a man simply cannot afford to support two families.

"Secondly, many women today are educated and capable of supporting themselves and would not be willing to tolerate a situation of sharing their husbands."

Mr Bawa said although Islamic law provided for a man to have up to four wives, the same law also provided for a woman to get her husband to enter into a contract preventing him from marrying again. Many women were now aware of this.

/9317
CSO: 3400/759

PROBE INTO ATTACK BY MOB ON INDIAN BATHERS

Johannesburg THE CITIZEN in English 28 Dec 85 p 9

[Text]

OFFICIALS of the Durban municipality and officers of the city police held a meeting in Durban yesterday to discuss the incident in which a mob of Blacks invaded the Indian beach in the city and attacked the bathers on Thursday afternoon.

Mr Errol Scarr, in charge of the Parks Recreation and Garden Department, said after the meeting measures would be adopted to prevent a recurrence of any similar incident, particularly over the New Year period when it was expected the beaches would again be packed.

Mr Scarr said he felt from reports he had received from various people about the attack on Thursday afternoon, it appeared that only a few Blacks had been involved. He said he did not want people to get the impression many Blacks had crossed on to the Indian beach.

At this stage, according to his information, the number of Blacks involved — it appeared they were teenagers — were only about 10 to 15.

He said beach inspectors and city policemen doing duty on the beach front area had been instructed to prevent any future occurrence of violence.

Generally the crowds flocking to Durban beaches in the past few days — this included all races — had been well-behaved and had caused few problems.

In Thursday afternoon's incident the Blacks had spilled over on to the Indian beach and began attacking them. It was also alleged some looting had taken place, although the police said yesterday no cases of theft from the beach had been reported to them officially.

Two Indians were also slightly injured in the fracas and were treated by ambulance men on duty in the beach area.

/9317
CSO: 3400/759

NO JOBS FOR TROOPS

Cape Town THE ARGUS in English 19 Dec 85 p 23

[Text]

PRETORIA.— Thousands of national servicemen will end their two-year training on Friday, but many will find it difficult to get jobs in civilian life.

Some estimates claim that more than a quarter of the returning servicemen could be jobless next year.

Worst hit categories are expected to be those with poorer educational qualifications, especially below matric level; and those with little or no training.

The economic recession has forced many companies to cut back on the number of employees in their service, and the creation of new posts which were one of the major sources of jobs for returning national servicemen.

A recent symposium in Benoni on the orientation of returning national servicemen the question of unemployment was one of the aspects covered, and renewed attempts are to be made to establish "contact" centres in as many towns and cities as possible where returning national servicemen can get advice on a wide variety of subjects.

Such committees have already been established in centres such as Benoni, and in parts of Natal, where they run successfully.

However there are not many such centres in major towns, including Pretoria, and there have been calls to establish venues in these areas.

The centres, apart from acting as job centres, would also be able to provide advice on emotional, pschological and personal problems.

But for national servicemen — and others — who are desperate for jobs, the Pretoria city council has got approval from the Department of Manpower for a "R4 a day" scheme.

The scheme offers a total of 560 jobs in a project with a total estimated cost of R360 000. Workers will be paid R4 a day and be employed mainly by the city council's city engineer's department and the parks department.

However a city council spokesman said although the jobs were open to all races, only about 20 applicants had so far come forward, with no coloureds and very few whites applying.

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CSO: 3400/759

PROGRESSIVE FEDERAL PARTY HAVING DIFFICULTIES RECRUITING

Durban POST NATAL in English 11-14 Dec 85 p 15

[Article by Ameen Akhalwaya]

[Text]

THE white-led Progressive Federal Party is being abused and subjected to hostile questioning by extra-parliamentary activists as it tries to recruit members in coloured and Indian group areas.

Now Prog officials are a little upset by the reception they've had in places such as Lenasia and Bosmont in Johannesburg.

It's difficult to understand why.

The Progs can scream till they're blue in the face, but few politically aware blacks regard them or their policies as being much different from those of the parties operating in the Indian and coloured parliaments.

The thing that sets them apart, say the Progs, "is that we have credibility."

Among whom?

Among black people, they say.

That's highly questionable. Sure, in relation to the community councillors, National People's Party, Solidarity, Labour and the others, the Progs probably do have credibility.

But when it comes to overall black politics, the Progs must be living in cloud cuckoo land to think they have "credibility".

They're making the same mistake as the Nats do: When a few darker-skinned people tell them how nice they are, they believe a lot of people think so.

What they are mistaking for credibility is the popularity enjoyed by a few Progs with proven track records, such as Helen Suzman.

Why, the Progs enjoy so much "credibility" among whites that, by their own admission, they lost substantial support because of their call for a "No" vote in the white constitutional referendum.

In by-elections since, they have failed to make much headway.

Now they are turning to black politics, with not much success either.

Sure, in some areas such as Eersterus, the 'coloured' group area near Pretoria, they are thrilled that a few locals fell over one another to get a position in the Prog ranks.

Of course, they don't really care much about the quality of these new "leaders," as the election of Dinkie Pillay to the PFP Federal Executive showed.

A well-informed colleague in the Western Cape, who covered some of the Prog forays into darker Group Areas, summed it up thus: "They're scraping the bottom of the barrel."

If the Progs doubt that, they missed a golden opportunity to test their strength last month when a by-election was held for a seat on the Lenasia management committee.

The Progs failed to field a candidate. Why?

When I asked a prominent Prog that question, he said he hadn't even been aware that such an election was taking place.

Which goes to show how much they know about black politics.

If the Progs had fielded a candidate — provided they could have found one — they might have been surprised to discover how little impact they've made.

The polling booth for the by-election was the same as that for the House of Delegates election in which Mr Pillay secured all of 100 votes and failed to win the seat.

The Progs might have had to call up an election rally, and answer questions from non-activists about the party's enthusiasm, for example, for rebel sports tours.

The answers could certainly not have gone down well when one considers that apart from a couple of hundred "normal sport" supporters, Lenasia is solid Sacos territory — and Sacos's anti-rebel stance is backed by the UDF and the National Forum.

The Progs would have been able to determine how much credibility they have in relation to Sacos, the UDF and the NF.

Earlier this year, when the Improper Political Interference Act was scrapped, I chided extra-parliamentary groups for not taking the PFP's foray into black areas seriously.

I am happy to say I was wrong. From information gleaned from colleagues with their fingers on the political pulse of the townships, it seems not too many blacks are taking the PFP to heart.

Sure, the Progs deserve credit for monitoring the unrest and taking affidavits from people who say they have been maltreated by officialdom. But that doesn't necessarily mean they will get much support where it counts — at the polls.

My prediction is that the Progs will eventually land up with two or three thousand black members, most of whom will, as in the white community, be drawn from the ranks of the wealthy, or from those who have little credibility in their communities.

For one thing, the Progs don't know the pulse of the coloured and Indian communities. They set up recruiting tables in the Lenasia CBD, and were involved in squabbles with UDF and TIC activists.

If the Progs had been more sensitive, they would have realised that people are angry over the fact that the State has been regularly banning meetings by extra-parliamentary activists, while the PFP can set up tables to recruit members.

This must surely be a provocative action in a volatile situation where the organisations with proven popular support are effectively silenced.

If the TIC, UDF or Azapo were to set up recruiting tables in public, how many minutes would it be before the security police, if not the armed forces, turn up?

Yet, the Progs are hurt that people are abusing them. Prog officials claim they can't wait for the Government to lift the state of emergency to allow the party to carry on with its work.

But in this case, they are taking advantage of the Government's actions which allow them to operate while their opponents can't.

If the Progs cannot understand that, they have little hope of making inroads into black politics. And they will come to realise what the Nats have finally come to realise but don't know how to admit: That black people won't be easily fooled by leaders without credibility.

/9317
CSO: 3400/762

PFP MP ANALYZES GOVERNMENT'S DISINFORMATION CAMPAIGN

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 14

[Article by Andrew Savage]

[Text] It is obvious that the Government does not seek to inform but to mislead.

Truth, fact and honesty are used like condiments and sprinkled in small amounts over what the authorities prepare for us to make it more acceptable.

For instance, the Government recently told delegates from the European Economic Community that it shared their repudiation of apartheid, if by this was meant:

Political domination of one group by another; The exclusion of any group from the decisionmaking process; Inequality of any group; or Racial discrimination and the violation of human dignity.

The EEC delegates had apparently not realised that the Government's views corresponded so closely with its own--and for that matter it comes as a surprise to most of us.

This was no isolated Government reaction, Mr P.W. Botha expressed himself in identical terms when addressing the congress of the NP in Port Elizabeth recently.

The shamelessness of these statements can be judged by the laws remaining on the Statute Book. They relate to the four points mentioned as follows:

1. The SA Constitution Act establishes white domination.

2. The same Act excludes blacks from the decision-making process.

3. Inequality of opportunity lies deeper than an inferior and separate education system. The Group Areas Act ensures that the fruits of successful endeavour, the major reward stimulus of free enterprise, are not available to blacks.

4. The purpose of the Separate Amenities Acts is discrimination.

The cornerstone of apartheid, achieved through the Population Registration Act, is the compulsory division of people into ethnic groups.

Mr Botha has been very specific that group rights and the Group Areas Act are to remain. This stands in direct contradiction to the statements quoted above.

He tells the public what it wishes to hear but his approach to reform remains "what adjustments can I tolerate to buy off pressures from trading partners and co-opt some black support?"

Because of its failure to come to terms with the dynamic nature of black perceptions, the Government is forever behind the game.

Its actions become increasingly irrational. Their destructive effect is seen in the economy, in social unrest, and its loss of credibility as an effective Government.

Increasingly it brings the most valued concepts of Western civilisation into disrepute, destroying just those things it purports to defend. For example:

We claim to be a bulwark against communism. I remind myself that a communist government would seize my land, restrict my movement, put me out of my house, disenfranchise me, jail me without trial and banish my family to the veld--and it would have done nothing that our Government doesn't do daily to black fellow-South Africans.

The Government proclaims itself a champion of the free enterprise system, but it denies blacks freedom of movement and the right to trade and own property where they choose. Black reaction is that, if this is free enterprise, perhaps they should try something else.

I believe that in the depths of some dark State Security Council "think-tank" it was decided that truth and principle are expendable in the interests of power.

A particular strategy flows from this which is most effective. Its purpose is to create and foster misunderstanding.

For instance, the Government will use the idiom of reform without any intention of putting it into effect. Or it will commit itself to free enterprise philosophies as it indulges in gross interference with the market mechanism and escalates Government expenditure.

This is not even intelligent pragmatism. It results in a cynical, disillusioned or demoralised populace.

Ordinary men and women struggling in the debris of failed Government policies want reform. "Offer it to them," says Mr Botha, the arch-politician. "Offer it to them, but never define it." So he promises reform!

The PFP calls for negotiation. After years of resistance, the Nats decide to ride with the punch. They come out strongly in favour of negotiation, even set up a special committee (which never sits) for the purpose, but make it clear that it is to be with "responsible" leaders. Result? The only black dialogue is with creatures of their own making.

The world condemns discrimination. "Don't argue," says Mr Botha. "Come out boldly against discrimination, but never ever define it."

Tens of thousands of voters heave a sign of relief. What was wrong with the Government was its discriminatory policy, but now Mr Botha himself has repudiated it and called for reform.

This strategy was used in the referendum campaign--a sophisticated exercise in emotional hijacking.

What did the ordinary man vote "yes" to? He voted "yes" to reform, for "a step in the right direction," for a move away from discrimination.

The real implications of the new constitution, the results we see all about us now, were not easy for busy people to discern.

Communication has been reduced to a science so that information can be adequate, timely, correct, understood and imparted in a convenient and effective form.

In our country this science is prostituted in order to misinform.

Sometimes it takes the shape of a news blackout. An example is the embargo on photographs at locations of unrest, on the pretext that the presence of cameras incites people to violence. There were no cameras the other day at Mamelodi or Queenstown.

One can watch TV's inane drivel unaware that people are detained, fighting, dying in the hearts of our cities.

Government members, lost in the maze of their own creation, are often unaware of what is taking place. We will not solve our problems if we do not understand one another.

We must insist that the terms used by Government are defined so that they cannot be misconstrued, just as they are defined in any agreement.

The following 10 examples illustrate the type of definition necessary:

1. "Discrimination" in the SA political context means making a distinction on grounds of race or colour, the State President cannot therefore be against discrimination yet be prepared to make such a distinction.

2. "Reform" means more than adjust, or innovate. In our case it entails a fundamental redesign of the constitution.

3. "Negotiation" means hard bargaining as equals with an open agenda. Indeed it starts with negotiation of an agenda.

4. The phrase "domination of one group by another" refers to all groups. It does not exclude the white group.

5. "Black leaders" means leaders of blacks' choice, not the Governments.

6. "Violence" includes oppressive State violence.

7. "Patriotism" means devotion to one's country, not the Nat party or its leader, the State President. At the moment "patriotism" requires rejection of both.

8. "South Africa" means all the land within the boundaries of the old Republic of South Africa.

9. "South African Citizens" means all the people in South Africa who are not citizens of some foreign country. Implicit in the term are equal civic rights and responsibilities.

10. "Universal franchise," a term endorsed by Mr Botha, can only mean the same franchise rights for all.

The time for "slim politiek" has passed. Our problems are too serious, the stakes too high.

Our overseas critics will not solve our problems for us.

We will have to do that, and by "we" I mean all South Africans.

In the debate and negotiation which must take place we will have no chance of success if concepts are not clearly defined and understood.

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CSO: 3400/758

SOUTH AFRICA

CAUSES, EXTENT OF ECONOMIC CRISIS REVIEWED

Johannesburg SASH in English Nov 85 pp 8-9

[Article based on an interview with Stephen Gelb and articles published by Dr Duncan Innes (both of the University of the Witwatersrand), by Glenda Webster]

[Text] Fundamental political change has become a necessity for our economic survival. For political issues such as separate education, separate avenues for political representation and above all, a separation in the allocation of resources have political consequences that affect the viability of the economy itself. That viability is now being fundamentally destroyed at a time when we need its resources most.

Resources are needed now to quell the unrest by redressing the imbalance that has built up as a result of this 'separate development.' It means spending money on education, houses, unemployment benefits, feeding schemes, health care and the creation of job opportunities. However, what little resources there are, are being spent on other things and the alternatives for raising finance are either impossible or problematic--

* Resources continue to be spent on police and army manoeuvres

* International bankers demand repayment of their loans

* South Africa's credibility has been lost and her chances of borrowing from abroad have fallen along with the value of her currency

* The private sector that produces the bulk of the goods that generate income has curtailed its activity and in defence of its capital is beginning to ship the machinery it is not using to sell abroad.

* Government's power to create more money simply by writing out more Reserve Bank cheques contributes to the problem of rapidly rising inflation.

In order to explore the two prongs which have driven the economy into this corner one needs to look at the programme of export promotion which the South African authorities have embarked on since the 1950's. It has meant competing for international markets with products produced in highly advanced economies that enjoy greater economies of scale, more efficient technology and highly trained labour forces. To compete, South Africa had to import the technology and replace labour-intensive processes with capital-intensive processes. The result was a skilled labour shortage and structural unemployment, the latter having its greatest effect on the black population that was being prepared by 'bantu education' to take their place in society as 'hewers of wood and carriers of water.'

Throughout the decades, economic issues have been affected by responses to apartheid policy, another prong of the attack. Mr Gelb illustrates this point: 'Going back to the 50's and 60's, the economy was growing at between 4 and 6% per annum. Now it is is only growing at between 2 and 4%, if that. This is because of many things--the whole western world has experienced lower rates of growth that feed through into South Africa. But in SA economic developments such as these are exacerbated and given a different kind of shape by political issues. In 1973 when workers went out on strike for wages and started to form more unions the whole question of racism in the workplace and wider society became an issue. In 1976 one of the main reasons for student unrest was the fact that there was such a high level of unemployment. People who were coming out of school were not very hopeful of getting jobs. In 1984 when the government removed subsidies on bread, raised the petrol price, or forced community councils to increase rents, the response to these economic issues was political.'

And political ideologies also make direct impact on economic resources themselves. Over the years, maintaining the apartheid apparatus has been a costly business and has aggravated for South Africans the worldwide problem of inflation. Much of State expenditure is unproductive and in South Africa vast amounts are spent financing homeland governments, purchasing land to consolidate ethnic areas, policing influx control, maintaining prisons and courts and last but not least, defending the whole edifice from physical and verbal attack both inside and outside the country's borders. Whatever was not available was borrowed or printed, the latter contributing to inflation.

The recession that started in 1984 was intensified by the problem of inflation. Economic policy chosen to curb inflation had 'damaging effects.' Prong two, the interaction between economics and political stability had the severest repercussions ever.

In 1984 the government decided to attack the problem of inflation by using methods designed to curtail spending. Money, eroded by inflation, became more difficult to obtain. Interest rates soared. Companies started to borrow from abroad to avoid these high local rates. The nation's debt to the rest of the world rose from 8% of the value of exports in 1980 to 94% of exports at the end of 1984, according to figures quoted by Dr Innes.

The effect of high interest rates also had a profound effect on economic activity. 'In the car market, for example,' Mr Gelb explains, 'up to 50% of all cars are bought by companies for their fleets. Demand from this quarter dropped. At the same time individual consumers could not afford the exorbitant consumer credit rates. The car market has shrunk to about half of what it was a few years ago and most companies are operating at about a third of their capacity. They've laid off thousands of workers--a recent figure claimed that about 35 000 workers had lost their jobs in the automobile industry in South Africa as a whole.

'So jobs have been lost and industry has been destroyed. It's horrifying to read in the paper that hundreds of millions of rands worth of machinery and equipment is being shipped out of SA because companies are short of money and they're not using the equipment, so they're selling it abroad.'

Those companies that do have the resources--the mining companies that earned more rands from the sale of their products abroad as the value of the rand dropped, and financial institutions that benefited from high interest rates--have started to buy up smaller companies that are short of cash.

'This is standard practice in a recession,' comments Mr Gelb, but it does not increase jobs. It rationalises operations and leads to the loss of jobs. For example, take the case of Ford, an international company. It sold a large stake in its operations to Amcar, an Anglo American subsidiary. They merged to form Samcar and it meant that at least two thousand Ford workers lost their jobs in Port Elizabeth when Amcar operations were moved to the Transvaal. As estimated 8 000 workers in the Eastern Cape will lose their jobs.'

Nationwide, unemployment jumped from 30 000 registered unemployed whites, coloureds and Indians in 1984 to 61 000 in less than a year. The number of unemployed black people is not counted but academics such as Prof J. Keenan at Wits and Prof J. Nattras at Natal University have estimated equivalent figures for the black population at 20% in 1984 (with some areas at around 35%) rising to about 30% in 1985 (with areas such as the Eastern Cape reaching 50%).

Economic policy failed also to reduce inflation as it was intended. From a figure of 13% in 1984, it has risen to around 17% in 1985.

Rising inflation and unemployment intensified the state of unrest. 'The State of Emergency was designed to suppress resistance in order to restore productivity for economic growth,' explains Mr Gelb, 'but it hasn't worked. And the economic and political consequences of government strategies have made the situation a whole lot worse. While their economic policy may have succeeded in turning the deficit on the balance of payments into a surplus, they haven't achieved much else and have actually created a whole lot of new problems. International bankers got worried and started to call in their loans. Faced with political uncertainty companies are now submitting dividends to their parent companies abroad instead of investing them here as they used to. The surplus on the Balance of Payments isn't going to go very far. At any event it's going to have to be used to repay debt over the next few years so we'll have nothing with which to refuel the economy.'

In conclusion Mr Gelb says 'It's clear to me that you can't separate politics and economics. Part of the problem of fueling long-term growth lies in finding a political solution to the situation. For instance, the problem of inflation can be solved by means of an incomes policy in which prices and wages are only allowed to increase by a certain amount. But that kind of policy depends on the existence of concensus in the broader society, which we don't have. We need concensus in order to get the economy going going again.'

Will the disinvestment campaign aggravate the economic crisis?

Mr Gelb replies...

'I believe that it is the economic problems that are causing disinvestment rather than disinvestment causing the economic problems. The profitability of companies in South Africa and their confidence in the future has declined dramatically in the last five years. Many are withdrawing, not because they don't like apartheid, or because there's pressure on them, but because of this economic crisis. The relationship runs from economic problems to disinvestment which may then cause some further difficulties but not nearly as much as is suggested by government or big business.

Disinvestment campaigns do have an effect but it's a marginal effect compared to the economic problems. I think that if there wasn't a high profile disinvestment campaign, not as many companies would withdraw. At the margin when a company is making its decision in terms of profitability, the political issue which affects its high profile will make some difference to its decision. But its real calculation is about profits!'

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CSO: 3400/788

UNPROMISING ECONOMIC YEAR FORECAST

Johannesburg BUSINESS DAY in English 23 Dec 85 p 4

[Article by Harold Fridjhon]

[Text] WITH the money market held in thrall to the Reserve Bank, 1985 looks as if it will end as it has began — with the banking sector deeply in debt and with rates tending to harden.

In January when the banks' prime rate was 25%, the Reserve Bank's re-discount rate for Treasury bills (TBs) — which subsequently became Bank Rate — was 21,75%, the TB rate was 20,82% discount and 90-day bankers acceptances (BAs) were fixed at 21,85%.

At the end of a splintered period leading to December 31, 1985, prime rate is 16,5%, Bank Rate is 13%, the TB rate has moved from a low of 12,71% to 12,98% on Friday and the 90-day BAs were up at 13,55% having been down to 13%.

While the overall trend in rates has been steadily downwards since May, what has not changed is the banks' indebtedness to the Reserve Bank in the nearly 12-month span. When the year opened, the money market institutions owed the Reserve Bank R2,71bn. At Friday morning's count the Reserve Bank's accommodation to the market was R2,229bn.

During the course of the year, the extent of the banks' borrowings has ranged from a low of R298m to a high of R2,5bn and in spite of a small return flow of funds to the banks expected this week, when the year-end balances are drawn the R2,5bn peak will be surpassed even if the Reserve Bank enters into re-purchase agreements with the banks to tide them over the month-end. A re-purchase agreement involves the banks "selling" prescribed assets to the central bank and then "buying" them back on an agreed date at a tendered rate. To all intents and purposes the assets are effectively pledged.

Instead of closing on a note of high optimism, the year appears to be fading with the markets gloomy and with all talk of a reduction in prime temporarily cast aside. Indeed, there are mutterings of a rise in prime because bank margins are being fiercely squeezed. Prime rate was reduced in the last week of November by one percentage point from 17,5% to 16,5% but the wholesale rate of money has not responded in tandem.

At times it has been low enough to give a reasonable spread between the cost of money and the lending rates, but in recent weeks urgent bidding for funds has pushed up call to between 13% and 14% and the rates on overnight call have left the banks with barely a one percentage point margin. And the banks are in a cleft stick with the retail rates as the building societies outbid them for the public's deposits.

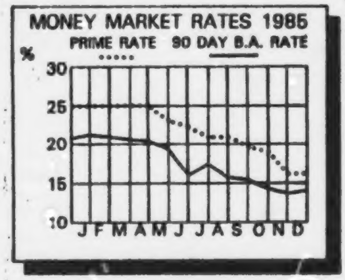
There was good reason for gloom to mantle the markets when the year opened. The 25% prime, the 21,75% re-discount rate for TBs and the shortage of cash which led to the banks paying as much as 22% and 23% for call money were all calculated to squeeze the economy into a rigid straitjacket. Fiscal policy was a failure and monetary policy was the only lever of power available to the authorities to curb an overspent condition.

The hire purchase banks with their fixed-rate lending accounting for a large portion of their books were forced into loss situations. The commercial banks were powerless to prevent high rates battering and bruising their clients, sending many into liquidation. And the institutions and mining houses with their cash resources were calling the tune.

This situation persisted until the end of April, after the Budget, when the authorities tempered monetary policy by implementing a relatively stringent fiscal policy. Notch by notch the straps of the straitjacket were eased. Re-discount rates dropped 7,75 percentage points between April 5 and November 20, bringing down prime from 25% to the current 16,5%.

And on the way the hire purchase banks have swung from losses into profits.

But it is not future perceptions which are currently bugging market dealers. They are bewildered by the present shortage and the non-flow of funds into the market. Seasonally December is a difficult month. The issue of banknotes from the end of November to the beginning of January is high. This year it is more than R800m above average.



This means a drain of liquidity from the market, but it was expected that the early repayment of the local levy would counteract that influence. This has not happened. About R400m of the expected R625m has been accounted for but that is insufficient to offset the large deficit.

It is probably here that the foreign debt standstill is affecting the position. Large interest payments are bunched up and must be met by the end of this month. This means that banks and trading houses have been using rands to buy dollars — supplied by the Reserve Bank — for offshore payments, thereby draining liquidity from the local market.

The question is: will there be a return flow of funds, or will the market start a new year with a shortage of liquidity that might persist well in 1986? Or will the cash generation come from increased government spending — an unhappy thought because of its inflationary potential?

Whichever way one looks at 1986, it does not give promise of being such a prosperous new year.

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CSO: 3400/767

SIGNS OF 1986 ECONOMIC RECOVERY POOR

Johannesburg BUSINESS DAY in English 24 Dec 85 p 5

[Article by Andre Van Zyl]

[Text]

MOST economic regions appear to be in limbo, with few indications of recovery.

The mood, however, is resolute rather than desperate, with most heads of organised business looking for political solutions to their problems.

The index of physical volume of production has levelled off, the latest figures released by the Central Statistical Services show (see top graph).

The index for July to September dropped 5,9% to 125 points from the figure for the same period last year. This represents a fall of 0,9% to a figure of 117,8 in seasonally adjusted terms. The base year for the index (100) is 1975.

Although the bottom graph shows a steady rise in the value of goods sold, the rise is due largely to the declining buying power of the rand.

A graph showing the increase in real terms would be a great deal flatter.

After a year which made a mockery of economic predictions, few businessmen are venturing forecasts. These are some general indications from the various economic regions:

☐ Transvaal industry is still going through its worst crisis in memory, says Transvaal Chamber of Industries president Tony Ewer.

Turnovers in his chamber's region, which accounts for 65% of SA's industrial activity, have dropped 20% to 40% and virtually every industry has had to lay off workers, some as much as 30%.

He says many companies are battling to survive and some may not re-open their doors after the festive season.

However, Ewer believes the Transvaal is doing better than most other regions. Among industries doing reasonably well are specialised steel, mining supplies and building finishing.

He believes too much blame is attached to government policies and not enough to companies' own failings.

He says few took note of the warning signs of economic difficulty, companies were not financially trim enough and, when the crunch came, it was deeper and more serious than expected.

It is time for business and government to put their heads together to find solutions to inter-related political and economic problems, he says.

☐ Northern Transvaal Chamber of Industries executive director John Toerien is loath to assess next year's economic potential.

A good summer maize crop, the determination of political and economic priorities, and a programme to achieve these objectives would contribute materially to attaining a growth rate of 3%, albeit from a low base, he says.

He agrees that constitutional developments will play a major role in stabilising the economic and business situation.

☐ Natal — Slightly improved conditions were experienced in several sectors of manufacturing industry during the last quarter, says Natal Chamber of Industries executive director Roland Freakes.

He says there has been considerable rationalisation in many sections of the region's industry and that considerable retrenchment of workers is continuing.

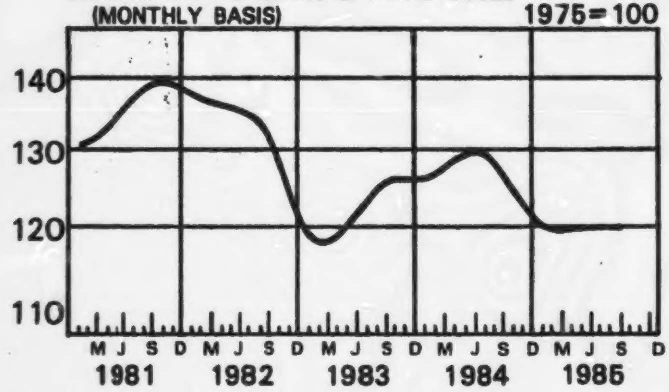
Exceptions to the general pattern of depressed conditions are a few export-oriented industries which are enjoying reasonably buoyant conditions, assisted partly by the low value of the rand.

Generally, the manufacturing sector is not optimistic about prospects for the first part of 1986. Forecasts are coloured heavily by political imponderables.

Says Freakes: "On the positive side, the recent submission to Constitutional and Development Minister Chris Heunis of important proposals for co-operation and joint decision-making for 'KwaNatal' on a number of issues of common interest has given rise to an air of expectation and hope that a new vista will be opened up which will include the development of power-sharing.

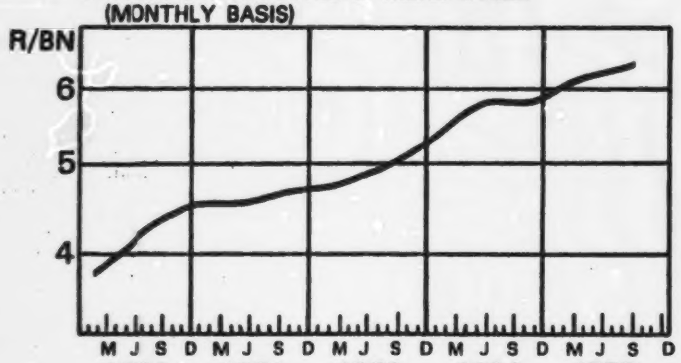
INDEX OF PHYSICAL VOLUME OF PRODUCTION

SEASONALLY ADJUSTED & TREND CYCLE
(MONTHLY BASIS) 1975=100



VALUE OF SALES

SEASONALLY ADJUSTED & TREND CYCLE
(MONTHLY BASIS)



SEMI-LOGARITHMIC SCALE

Source:CENTRAL STATISTICAL SERVICES

"We hope the 'KwaNatal' example will provide inspiration to other regions seeking appropriate local solutions in their own areas."

☐ **Free State** companies have reported a slight increase in activity, and there are expectations of further growth.

Unemployment figures are below the national average, largely due to the importance of the informal sector, industry leaders say.

Bloemfontein and outlying areas are experiencing encouraging consumer spending because of factors such as good rainfall, loan levy cheques, railway bonus-payouts and local buy-aid bonus cheques, says Bloemfontein Chamber of Commerce president Ron von Kionowski.

This surge has come too late to achieve results planned in the retail sector, but farmers are more confident.

He says that without improved consumer spending, 1986 could be a tough year which could see numbers of commercial and industrial enterprises falling by the wayside.

☐ **Western Cape** industrial activity seems to be picking up, and some industrialists think the economic situation has bottomed out.

However, Cape Town Chamber of Commerce president Andrew Peile says if 1985 has been a demanding year, 1986 is likely to be even more so.

The drastic devaluation of the rand and the import surcharge have caused major problems for importers, but could, in the medium to long term, be seen as opportunities for import substitution in certain areas, says Peile.

He says the region's businessmen are apprehensive about the effect of the proposed regional services councils, which he believes are likely to increase tension, bureaucracy and the tax burden.

☐ **Eastern Cape** — Port Elizabeth Chamber of Commerce president Frank Wightman says unemployment in the area, particularly around PE, is inordinately high.

Specifically, there is continued speculation in the motor industry over further manufacturer rationalisation, retrenchments and unemployment.

However, Wightman believes there is an air of optimism in PE as local organisations strive to attract industry and commerce.

Retail sales are running above last year's in real terms, helping traders affected by the economic downturn, and giving them a stronger base for next year.

Says Wightman: "What is essential in 1986 is to create employment, particularly among black people in the area. With greater employment, more funds are circulated and more opportunities are created. And, as the saying goes, activity breeds activity."

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CSO: 3400/767

ROLE OF BUSINESS IN 1985, 1986 EXAMINED

Johannesburg THE SUNDAY STAR in English 8 Dec 85 p 15

[Interview with Gavin Relly, executive chairman of Anglo American Corporation, by David Braun--date, place not given]

[Text] On the successes and lost opportunities of 1985 and how business reacted to them:

South African business, like the rest of the country, found itself having to face up to significantly changed conditions particularly because of the decline in the value of the rand.

I think it has reacted very well. The export performance of South African industry proves it has gone out into the wide world and made good use of the opportunities that the weak rand offered.

Yet businessmen realise that with inflation running the way it is, those opportunities are not going to be there forever because we are going to lose our pricing advantage.

We realise we are going to come up against an increasing problem with sanctions and boycotts overseas against South African exports.

But I think businessmen are very ingenious and they will obviously be able to cope with a lot of these issues sensibly and adequately.

Our problem is one of the external perception of what is happening in South Africa.

Time and time again overseas I found that progressive policies announced and indeed undertaken by Government meant nothing at all to forigners, either because they took it for granted that any normal society would not have had those inhibitions anyway, or because it did not go to the heart of their feeling about what SA was.

Ultimately the only thing the world wants to be convinced of is that the symbol of apartheid has been removed from the policies of the country.

Until we are able to convince people that apartheid no longer has anything to do with the SA political scene we are going to have difficulty in getting over a hump of credibility.

Our lost opportunity in 1985 was not being able to capitalise on the really very considerable genuine progress and undertakings which Government has committed itself to. Government has done and agreed to do a number of things which, if fully carried through, will in every essential reverse the whole process of breaking up the country which has gone on since 1948.

Somehow we should have found a means to convince the international community that what we are about is in fact everything they want.

The role of business in 1986:

Firstly, to emphasise those things which directly concern businessmen--the development of sound industrial relations and encouraging the formation of responsible trade union leadership.

We must continue working hard to create completely non-discriminatory terms and conditions of employment.

Secondly businessmen should continue to press for the maintenance of the free market system which has been encouraged over the last four or five years.

They should do everything to minimise the impact of inflation.

The third role for business is constantly to bring the Government's attention to what socio-political action it believes needs to be taken.

You cannot hope to make a system of free enterprise work if people are restricted at every level of their lives in relation to the choices where they may live, who they will work for, how they will be trained and where they will spend their money.

This means that the first thing that must go is influx control.

Businessmen may also take the view that free choice in a political sense means just what it says, that people should be offered the opportunity as groups as well as individuals to exercise their free choice by stating in the first place what sort of political institutions they would like and, secondly, what sort of constituencies they would like to belong to.

A fourth role that business has involves the international perception of the country.

Quite naturally South African businessmen abroad are extremely good ambassadors for their country. They may take extremely strong views about Government policy at home, but it is quite surprising to see the way they do their best to represent these policies overseas in as favourable light as they can. Whether right or wrong, it is a tendency for anyone in an expatriate position to want to represent his country as best he can.

This has been a major contribution in keeping the onslaught at bay, and, of course, in recent years under P.W. Botha this task has been made immeasurably better by the fact that he quite evidently committed himself to a significant reform process.

How President Botha responds to busines pressure:

He gives business a very fair hearing. Our recent meeting with him was very amiable, and not a confrontation.

Would you still vote "Yes" for the new Constitution?

My voting "yes" was a function of believing that it was an important step away from apartheid. Colour no longer became the determinant of political decision.

It was also based on the expectation that having in a sense tried to clear the decks in relation to the Indian and coloured people one would immediately set about devoting the nation's attention to the real issue facing the country, the problem of political accommodation for the black people.

I never visualised that such accommodation would be grafted on to the existing constitution. I thought the whole thing would have to go into the melting pot and an entirely new set of constitutional arrangements would have to emerge. I still think that is going to have to be the case.

This has not happened for understandable reasons, as an effort had to be made to get the tricameral Parliament functioning properly and to get the support of the people it was designed to accommodate.

Unfortunately the process was also overtaken by the outbreak of civil unrest and the effort to get on to the next most important phase of constitutional development has to some extent been overshadowed.

But to the extent that the unrest in the country is ascribed to the bitterness and frustration of the black people because they were not included in those constitutional arrangements I would say that I would not vote "yes" again.

On the other hand, maybe this is not the case because I think that to some extent the initial exclusion of the blacks has been ameliorated by the sort of statements which the President has made that he would negotiate on an open agenda with, in effect, all and sundry.

Does business feel let down by the expectations created at the Carlton and Good Hope conferences?

We won't know whether that sort of statement is valid until we have gone along a bit further. We are very much in an interregnum between promise and action, a sort of menopause between expectation and fulfilment.

On whether there is any validity in the theory that blacks are rejecting capitalism:

There is obviously a bit of rhetoric but I don't know that it means anything. I think one could argue fairly strongly that whatever the failures of a free enterprise system it at least demonstrates its ability to create wealth in a fashion which no other system can.

We must stop regarding this as a capitalist society and see ourselves as a free enterprise society.

If the Government would allow South Africa to become much more of a free enterprise society it would facilitate matters.

Does the emergence of a super union like Cosatu frighten you?

Cosatu doesn't frighten me. There is a lot of rhetoric in it and it is made up of a great number of elements which are not going to identify immediately with precisely the same sort of views.

I think trade unions will eventually realise, if they haven't already, their existence depends on a free enterprise society rather than a one-party state. I am a fervent believer that in any new reform society an absolutely essential plank is a responsible trade union movement.

One thing I dread is vacillation and weak trade union leadership.

Has business been secretly briefed about further reform?

I am unaware of any special goodies which have been reserved for the ears of businessmen.

How does Anglo American regard privatisation? Are there any plans to take over some of the State services?

We have no particular ambitions. We certainly have no ambitions to run SATS. I think privatisation means Government not doing those things which can be done by private enterprise. But it does not mean anything at all if it means people are restricted from doing what they want to do

On reports that American companies have been asked to break SA laws by, for example, housing black workers wherever they have available accommodation:

In practice a great number of the petty rules and regulations which were enforced with enormous strictness 10 and 20 years ago really don't operate today.

As a gesture of protest and defiance I don't believe myself that business has a duty to act in that way and I would certainly find myself resisting it.

International business as corporate citizens in South Africa have an obligation to observe the laws.

But international business can play a positive role by constantly seeking opportunities to make Government aware of the very real difficulties under which they offer in their domestic environment because of their involvement in South Africa. They can also continue to do what they are doing, by giving enormous support to education, training and housing.

On the ANC and further business talks in Lusaka:

The real problem which faces the ANC is to face up to the realities of life and realise that none of its ambitions are likely to have anything more than ephemeral fulfilment unless it can find a way to ensure that business in the general sense can operate in a free enterprise system.

You can't have your cake and eat it. You can inherit a desert or a swamp or you can take over an ongoing estate. You have to make a choice.

I don't think our generation is going to see majority rule, but it may be an option for some future generation.

There is some understanding of this in the ANC.

There is no further meeting on the cards. When we parted the first time we met we said it might be useful to meet again, but nothing has been planned. In the current climate such a meeting is not likely.

I don't know if the Government will talk to the ANC. It has said it is prepared to subject to its proviso on violence. I would have thought there would be formulas, for example talking to those members who are not actually engaged in violence.

On the calibre of the ANC leaders that the business delegation met:

They are no fools. It is difficult to judge people who have spent a lifetime consorting only with odd people who have outdated Marxist views.

They are competent people but they need to make haste to get into the modern world. They have this problem that communism isn't popular per se. It is out of date, and I think they have a problem lugging around this communist corpse.

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CSO: 3400/767

ECONOMISTS SEEN FORCED TO MAKE POLITICS KEY FACTOR

Johannesburg SUNDAY TIMES (Top 100 Companies) in English 8 Dec 85 p 11

[Article by Brendan Ryan]

[Text]

THIS year should go down in SA economic history as the year economists were forced to make political considerations the key factor in economic developments.

It should also be noted as the year in which SA's business community largely lost confidence in the nation's political leadership and increasingly said so.

That is in sharp contrast with the traditional conservative stance taken by the business community. It may have fumed privately about the politicians, but in public it separated business from politics and largely declined to get involved in the political hurly-burly.

Downhill

For the economy it has been downhill all the way with only a few weeks' respite in July when, shortly before the declaration of the state of emergency, it appeared that things might be about to improve.

The State President's little Christmas gift of a cut in the official interest rate used to calculate perks tax and removal of the 7% surcharge on income tax was welcomed. But it was long overdue and is only a first step in the right direction.

Businessmen entered 1985 complaining about the symptoms of "Barenditis" caused by the effects of some of the decrees from Minister of Finance Barend du Plessis.

However, complaints over perks tax, retrospective legislation affecting the insurance industry and tougher regulations on tax allowances on mine mergers paled when compared with "Rubiconitis" as some have termed the more malignant symptoms of the President Botha's disastrous "Rubicon" speech.

Free market

Add to that the pitched battle being waged over whether the South African authorities should abandon the move to free-market principles and return to more protectionist policies and you have the background to perhaps the most turbulent year the economy has ever experienced.

If the outlook was grim at the start of 1985, it is not much better now as the recession enters its fourth year and the start of a real recovery is still hazy.

The key, according to economists and businessmen, lies in the settling of SA's foreign debt.

That, in turn, is linked by many observers to the pace of political reform.

It is small wonder therefore that the latest predictions are based on varying political scenarios instead of the gold price, interest rates and the rand-dollar rate.

The year was also marked by the shattering of a popular myth about SA's economy.

Yes, SA is vulnerable to sanctions and foreign economic pressure and all it took was one bank, Chase Manhattan, to pull the plug.

Probably the greatest economic fear at present concerns the course of inflation following Government's decision to reflate the economy. Inflation rages on at year-on-year rates of more than 16%.

Fuelling the inflation rate is the bombed-out rand. The rand's drop of more than 50% in the past two years is boosting the cost of imported goods.

Outlook

The most obvious effect of that for the man in the street is the petrol price. This year started with a jump in the petrol price of 25c a litre, or 40%, and the outlook for 1986 is for more increases.

The Department of Mineral and Energy Affairs only tried to ease the pain with the 6% increase in November. Another hefty one is likely in January if the rand stays at present levels. Current oil prices are calculated on an exchange rate of one rand to 45 US cents.

Austerity

The year started with prime overdraft at 25% as the nation sweated it out under the austerity package introduced by the Reserve Bank in mid-1984.

At the end of January, the Reserve Bank announced as a move to help bolster the rand that the gold mines would receive only half their revenue proceeds in dollars.

Predictions on inflation were gloomy, but the good news was the belief that the rate should peak at about 16% before dropping back to year-on-year levels of about 12% early in 1986.

For a while it seemed to be working with prime cut by two percentage points in May and in July the first signs that the recovery might this time be more substantial than the mirage of the past few years.

It all came to an end with the declaration of the state of emergency and by Chase Manhattan's decision to end its loan exposure to SA. The rand collapsed to below 36 US cents and the Reserve Bank declared a temporary freeze on foreign-debt repayments.

Siege

As the Government moves to stimulate the economy and interest rates are forced down, the two principal fears of some economists are that SA could be driven into hyper-inflation of between 20% and 30% and that it could be forced into a siege economy.

Many are apprehensive about trade boycotts as the threats mount and some action is taken. For example, Denmark refuses to buy any more SA coal and the French Government wants companies to do likewise.

In the background the row between the protectionists and the free marketeers on how the economy should be run continues.

Outward signs of the conflict are seen by many in the changes made this year to the structure of the State President's Economic Advisory Council — which some feel should be renamed the business advisory council — and the lukewarm reception given by the authorities to the final report of the De Kock Commission.

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BUSINESS EXECUTIVE ON RSA CURRENT PROBLEMS

Johannesburg THE INTER-RELATIONSHIPS BETWEEN THE SOCIAL ECONOMIC AND POLITICAL PROBLEMS FACING SOUTH AFRICA in English Sep 85 pp 3-24]

[Perspective by Mr A.M. Rosholt, Executive Chairman of Barlow Rand Limited]

[Text]

INTRODUCTION

Unfavourable events – economic, social and political – have come upon us a great deal more rapidly than might have been expected, and there is now a very real danger that they may develop their own momentum if we do not tackle them urgently and earnestly. It is of equal importance that we tackle them in a carefully planned rather than a reactive way, and this calls for a clear analysis and understanding of those problems and their inter-relationship.

The problems with which business is involved on a day-to-day basis are, of course, mainly economic. But our problems are not just economic. The political realities of our situation will have to be faced up to and solutions found if we are to cope with our economic issues. Because we now have a situation in South Africa where economic and socio-political problems are so inextricably linked they can no longer be considered in isolation. By that I mean that the economic problems we face cannot be satisfactorily solved before a solution is found to basic socio-political problems. And that at the same time our socio-political problems will not be solved until the economy recovers sufficiently to produce the financial muscle with which to tackle them. Another complicating factor is that our economy is being more and more affected by world opinion and views not only on our economic prospects, but also on political developments here. It is a fact which does not appear to be fully appreciated by government and a current example of the consequences has been the cutting back of overseas lines of credit and the significant drop in the value of the rand, following the State President's Durban speech.

There is a further basic problem and that is the matter of "business confidence". It is a very delicate flower and no sustained upturn will be possible without it. But the fact is that it is sadly lacking in the country at the moment, partly for economic, but even more so for political reasons. A country divided in itself, as ours is, cannot possibly produce the economic growth it is capable of nor the employment opportunities it so desperately needs. It is the government's responsibility to address this issue and to restore confidence in its competency to cope with our difficult and complex situation. This can only be achieved by a fundamental reappraisal of our economic strategy and the introduction of further significant and far-reaching socio-political reforms.

Let me deal first with our economic problems and start by giving you what I believe to be the

BACKGROUND TO RECENT ECONOMIC DEVELOPMENTS

There have been two major international influences at work. Firstly, there have been important structural changes in the nature of world production. New industries have developed whilst others have declined and this process has had a significant effect on exporting countries, particularly commodity producers. And secondly, the major trading countries of the west have moved into a deflationary era, which has had a negative effect on increases in export prices.

Both these developments have had a significant effect on South Africa and it is quite clear that an economic recovery, when it occurs, will certainly not follow the traditional course we have experienced in the past. The growth of the 1960's was fuelled by direct foreign investment and that of the 1970's by increases in commodity export prices brought about by the inflationary tendencies of our trading partners. The scenario for the second half of the 1980's is very different. Substantial foreign investment is very unlikely, due partly to our political situation and partly to the fact that South African returns and dividends in overseas currency terms are now much less attractive. And the 1980's will quite definitely continue to be a decade of lower overseas inflation rates. As a result, although the last two years have seen strong growth in the economies of our trading partners, our export prices have not benefitted. Indeed the only reason export companies are performing so well in an otherwise depressed economy is because of the collapse of our currency.

HOW HAVE WE ARRIVED AT SUCH A WEAK ECONOMIC POSITION At a time when our major trading partners in the United States, Europe and Japan are performing so adequately? There are a number of reasons, some of which were unavoidable but others of which certainly were.

The unavoidable:

1. The very serious drop in the gold price and its continuing failure to take advantage of factors, such as the relative weakness of the dollar, which in the past would have automatically strengthened it. This has to an extent been offset by the depreciation of the rand, but I do not have to remind you that that has, in turn, brought many other problems in its wake, notably a significant increase in the inflation rate. And there is no reason to anticipate in the short to medium term that a major increase in the gold or other commodity prices will

rescue us from our predicament. Indeed with the deflationary disciplines being exercised by all our trading partners and with the current oil price weakness, it looks extremely unlikely.

2. The three seasons of drought. Agriculture is still an important component of our national economy and our temporary conversion from an exporting to an importing country was a considerable blow to our balance of payments. It was providential that after a bad start to the 1984/5 season late rains came to our rescue and produced a reasonable if not normal maize crop.
3. The recovery over the past few years in the United States economy has, as far as South African export volumes are concerned, been somewhat disappointing. In past growth phases the United States manufacturing sector has at some stage run out of capacity and has embarked upon large capital expenditure programmes, which have in turn called for increased South African mineral exports. This particular growth phase has been far more consumer and financial services orientated. Indeed, the very strong dollar and high costs of production, completely out of line with those of its competitors, particularly Japan, have brought the United States heavy manufacturing industry virtually to its knees and many household names are in considerable financial trouble. Export volumes have accordingly not increased to the extent we could have anticipated. Indeed as I have said, the major structural changes in the world economy may well lead to a reduction in the demand for our basic raw materials.
4. And finally there is our continuing productivity problem. Over the years, despite government initiatives and incentives and despite efforts by many concerns in the private sector, our national productivity has actually decreased. This was not wholly unavoidable but partly so because the primary cause has been the very considerable increases in black wages, which have been necessary for both socio and political reasons, but which have not yet been accompanied by additional productivity.

The avoidable or self-inflicted injuries

1. Firstly, and very importantly, over the past five years we seem to have lost our time-tested national and personal financial conservatism. As far as the public sector is concerned there has been a breakdown, particularly over the last two years, in the control of departmental expenditure. And as far as the individual South African is concerned, he has allowed himself to be seduced by the lures of living on credit and in the process we have, incidentally, achieved the lowest rate of savings we have ever known.
2. Then the ever growing and now intolerable share of the national economic cake taken by the public sector at the expense of the private sector. Parliament seems to have lost its ability to control the tax burden by withholding its consent to excessive government expenditure. The danger was at last recognised in this year's budget and departmental expenditure estimates were cut back. It is to be hoped that the targets will be achieved, but an unknown factor in

the equation will be the impact of the costs of the new constitutional dispensation and the proposed regionalisation programme.

One of the basic reasons for excessive public sector expenditure in South Africa is, of course, our extremely complicated and overlapping system of government, national, provincial and local. Another lies in the excessive controls over individuals and institutions which the government considers to be necessary. The result is that far too high a proportion of the population is engaged in government and bureaucratic service, and a very good example can be seen in the administration of education where we have the ridiculous situation of having to staff no fewer than 17 separate departments.

3. A direct result of this excessive government expenditure was, of course, the completely uncontrolled rise in the money supply levels. There is little doubt that the Reserve Bank had been unhappy about this situation for a number of years, but that it was overruled by the politicians. The De Kock commission's recent and final report recommends an annual but elastic targeting of the money supply, always subject however to the approval of the cabinet. Let us hope that the report will be accepted and that the Reserve Bank will be in a better position to curb the over-expenditure of individual departments in future, and so to control the money supply more effectively.
4. And finally even strong upholders of the importance of abiding by free market principles and market forces must wonder whether last year's deregulatory process was not too fast for an economy of our size in a period of great instability in world economies and currencies and at a time when we faced serious balance of payment problems.

The combination of all these factors, unavoidable and self-inflicted not surprisingly brought about a very difficult short term problem – an acute balance of payments position, high inflation and a severely mauled currency. The authorities recognised that the situation was unsustainable and their first predictable action was to introduce Draconian measures to cut back private sector demand with punitively high interest rates, hire purchase restrictions, and increased taxes. The result has been a process of massive deflation, the loss of 5 or 6 years of production gains and, most importantly, considerable unemployment, which in my view is the major cause of the current township unrest. It was only when the restrictions on the private sector failed to correct the problem that the government took the action it should have from the beginning and introduced the cut-backs on public sector expenditure in this year's budget.

The restrictions are beginning to work. Our balance of payments, due basically to a severe cut-back in imports, and the effect of a weakening rand on export values has improved considerably and interest rates have declined, although not to the extent where they would encourage any new investment. But the recession is still with us and obviously has some way to run yet before a growth phase can be expected. And the tragedy is that it has come at a time when what is called for is an expansionary phase providing employment and taking full advantage of the government's belated acceptance of the necessity for increased social and educational expenditure to improve the quality of life of the black population groups.

So much for the past but

WHAT SHOULD OUR ECONOMIC TARGETS BE NOW?

Our general long term and overriding target must be to find a method of consistently achieving a growth rate which will significantly reduce our current completely unacceptable level of unemployment and which will provide jobs in the future for the considerable numbers of young people, educated and semi-educated, who wil be seeking them.

It will not be an easy task. It is very clear that it will be far more difficult to achieve the growth we seek in the rest of the 1980's than it was in the 1960's and 1970's. We shall have to achieve it in a changed and more competitive international business atmosphere and with little likelihood of past windfalls such as gold price rises. We shall have to achieve it at a time when our reserves are extremely low and when, due to the recent imposition of the moratorium on repayment of foreign loans, we shall not be able to rely to any extent on external injections of capital and loan funds. And we shall have to achieve it at the same time as we shall be called upon to contribute far more in social expenditure to raise the standards and quality of living of our black population groups.

An additional complicating factor is the fact that the severe devaluation of the rand is inevitably fuelling major and structural adjustments in our economy. As a result some sectors and activities are already contracting to be replaced hopefully in due course by others which will expand and take their place. It is a natural process and no artificial steps can prevent the shrinkage in those sectors, a lesson which was learned in Britain in the 1960's, particularly in the textile industry.

And what should our specific targets be?

They should certainly include

1. Firstly, a considerable cut-back in the government's share of the economy, and as a result a general reduction in tax, both direct and indirect. South Africa is a developing country and history shows that it has always been those with low tax rates which have attracted the most investment capital, and which have produced the most employment.

   Lower taxes will also be essential now that we shall have to rely entirely on internal rather than external funds for growth. Because without tax relief business will certainly not be able to generate sufficient ploughback to finance an upturn. It is not sufficiently understood, particularly by government, how significantly reinvestable funds have reduced over the years and how many companies are now not only paying dividends with lower cover, but in many cases out of borrowings. The proportion of ploughback left out of trading profit has been seriously affected by many adverse factors such as:

- Very much higher interest rates
- Higher basic tax rates and the introduction of GST (with regional taxes still to come)
- Reduced tax incentives
- The effect of taxation on inflated profits
- The effect of inflation on the value of working capital requirements
- Increased plant replacement costs due to
  (a) inflation if bought locally
  or (b) currency devaluation if bought overseas.

And the inevitable result has been, of course, that there is far less left proportionately for investment in plant for expansion purposes or for grassroot ventures.

2. A broadening of our export base. We clearly cannot continue to rely to such an extent on mineral and base metals and we shall have to concentrate more on the manufacturing sector products. And as we have such a basic unit cost handicap in comparison with larger and more productive countries with which we compete, the government will have to rethink its current export incentive policies.
3. This necessity for more and broader based exports highlights the importance of reducing our inflation rate. It is now very definitely threatening our competitiveness even after allowing for the temporary advantages brought about by our currency devaluation. Because we face the certainty of a further steady erosion in currency value if we do not bring the inflation rate down to somewhere near that of our trading partners. This will be a very difficult task indeed but not unattainable if we recall that our inflation rate in the 1960's was about that of the United States.
4. Real progress in black advancement and in the effective encouragement of small business, which experience overseas, particularly in the United States, has shown to be a much better provider of new employment opportunities than large manufacturing concerns. Success in these two fields will assist, too, in the vital task of securing black credibility for the free enterprise system.

   The government is, and has been for some years, publicly committed to small business – indeed the State President referred to that commitment once more in his Durban speech – but the commitment has never really got beyond the talking stage and a great deal more tangible evidence is required. In particular there is an urgent necessity for significant deregulation, which is illustrated by the fact that NAFCOC has identified no fewer than 400 statutes which inhibit private enterprise in the black sector. One of its findings, for instance, is that a man seeking a trading licence in a homeland has to approach no fewer than 37 separate bureaucracies before he can trade legally.
5. Clarity in regard to government policy on protection of local manufacturers against unfair import competition. Recent adjustments to tariffs have played havoc with certain industries and have led to widespread retrenchments with all the unpleasant consequences we are now facing. This is not to say that government must indefi-

nitely protect inefficient industry, but that it should identify those industries which it considers essential for our economic growth and for the provision of employment, and should then protect them to a reasonable extent.

This represents a fairly formidable list of economic targets and there are of course many others possibly less basic or urgent which should be added. But identification is only part of the solution. As I have stressed, implementation will only be possible if we simultaneously tackle certain basic socio-political issues in an ongoing process of reform.

Perhaps before examining those issues in detail we should ask ourselves three questions.

HAS THERE BEEN A REFORM PROCESS? – IF SO, HAS ITS PACE BEEN ADEQUATE? – AND CAN WE BE REASONABLY CONFIDENT THAT A DYNAMIC PROCESS OF PEACEFUL REFORM WILL BE SUSTAINED?

The answer to the first question is, in my view, quite definitely "yes". The government, prodded to an extent by outside agencies and events, can claim credit for considerable progress since P. W. Botha took office as prime minister and should be given credit for it. I do not propose to detail all the steps it has taken, but let us reflect on the moves it has made in 1985.

1. The announcement of an informal forum for negotiation with black leaders. The government has stated it is prepared to talk to any black leader who accepts a policy of non-violence. The offer unfortunately does not appear to have been taken up by any acknowledged urban black leader for reasons which I shall discuss later, and the matter has, of course, been very much complicated by the recent declaration of the partial state of emergency and the subsequent detentions.
2. The scrapping of the act prohibiting multi-racial political parties. This will not in any way diminish the governing party's political power, but it does remove rigid colour barriers which have up to now had to be observed by the opposition parties, and should in due course result in better inter-community political relationships.
3. The announcement that the all-white provincial councils will be scrapped in due course and that they will be replaced by multi-racial regional services councils. The general principles involved of devolution of power to local boards and of multi-racial co-operation in the running of the councils are to be welcomed. But it is still too early to judge how the councils will work in practice and time alone will tell whether under current conditions any credible black leaders will be persuaded to serve on them.
4. The undertaking to introduce full freehold tenure for all urban blacks who presently qualify for leasehold tenure.
5. The repeal of those influx control regulations which prohibited blacks with Section 10 rights from moving to and seeking work in other urban areas.

6. The scrapping of the Mixed Marriages and Immorality Acts. In itself this is not a move which will have significant short term consequences, but it must in due course lead to a re-examination of many other laws and regulations, particularly the Group Areas Act.
7. The President's recent announcement that South African citizenship will always be the right of all people belonging to the present South Africa, including the homelands, and that dual citizenship will be available for those people belonging to the four states which opted for independence.

Only the very biased would deny that these moves constitute real and significant reform. Indeed they reach out at some of the very fundamentals of our apartheid system.

The answer to the second question is quite definitely "no". It is my view that, both in respect of the pace at which reform has taken place and the way in which reforms have been marketed, we have failed to meet reasonable and legitimate expectations of both our own peoples and the international community. Reforms have been slow and grudging and implementation has often lagged well behind the announcement. (The Riekert report for instance, the recommendations of which concerning the opening of our Central Business Districts were accepted in 1978, is only now being implemented – 7 years later). This, as well as the fact that, with the government anxiously looking over its right shoulder, the process of communication in so far as the aspirations of the black citizen are concerned has been inappropriate. South Africans must realise that the black man in Soweto or Mamelodi ever-increasingly has the capacity to vote with his feet and his wallet. Viewed from the national interest in contra-distinction to the national party interest he is as important as the voter from Thabazimbi or Messina.

The third question is a more difficult one to answer and probably draws only a qualified "yes". In answering the question one has to take into consideration three major issues.

1. The political will of government.
2. The political response of black leadership.
3. The will, determination and capacity of the private sector.

Political will of the government

Pronouncements by both the State President and a number of his cabinet colleagues over the past weeks have confirmed the government's commitment to reform. However, a number of developments have taken place which could impact negatively on the process.

1. Reform can hardly be expected to bloom during a state of emergency. Indeed steps taken by the security forces in their task of restoring order in the townships can well be the antithesis. Continued violence and counter-violence may well pose a threat to the national reform programmes we need so desperately to change our national structures and to provide greater participation for all South Africans.

2. Increasing international isolation and threats of boycotts and sanctions can only be counter-productive in the short term. Evidence of this kind of response was to be found in the State President's remarks in relation to the repatriation of foreign workers, his refusal to see Bishop Tutu and his demeanour at the time of the delivery of the Durban speech.
3. An increasing polarisation as evidenced by the call on the part of the Conservative Party leadership for even more vigorous action on the one hand and a substantial shift of certain black leadership which is now overtly espousing violence on the other hand.

But there have been positive developments too. The report by the Human Resources Research Council, the depth and duration of the present unrest and the response of the international community have in my view dealt a blow to "apartheid" from which it can never recover. A system which has failed as demonstrably as separate development has can never be revitalised, and I believe that this fact is ever increasingly being understood, both inside and outside government. This perception can only have a positive impact on the political processes of change in South Africa. I must make myself quite clear. By change I do not mean mere adjustments to racially discriminatory legislation. I mean the eventual elimination of the very pillars of "apartheid" such as the Race Classification and the Group Areas Acts.

Up to now, too, government has not undertaken what I would call primary negotiation, and has only been involved in a process of consultation. Once again, the gravity of the situation has demonstrated the inappropriateness of this approach. I believe that today there is a very real understanding of the need to negotiate in the true sense of the word, that is to sit down at the conference table as equal negotiating partners representing white and black leadership with a spectrum of political viewpoints.

The political response of black leadership

The absence of acceptable political structures through which black leadership can emerge has created a very real dilemma for all those who wish to see a process of peaceful transition take place in South Africa. It has led to the development of a number of spontaneous political groupings, the standing and credibility of which is a matter of opinion, assumption and often speculation.

Nevertheless, it is clear that there are substantial informal groupings, both of a political and of a concerned community or religious nature, that have real credibility. There is a great deal of evidence to this effect in the ability to organise meetings at which tens of thousands of people participate with reasonable control. This leadership must be identified and brought into the negotiating process in a manner acceptable to it.

The eventual response of black leadership will, I think, ultimately depend upon the genuineness of the negotiating process, the nature of the agenda and their own belief in a process of peaceful change. In the immediate future Black leadership faces two formidable challenges. The first is to demonstrate that they are capable of building bridges across their own political, ideological and tribal divides. The second is to accept bona fide opportunities for participation in a negotiated settlement of our problems and to eschew the option of violence.

The will, determination and capacity of the private sector

If we, as businessmen and industrialists committed to the preservation of our free enterprise economic system, are not prepared to make a very real contribution to promote peaceful change in South Africa, I believe that the process itself will be slowed down and that in the end our very survival and that of the system will be jeopardised. I am not here referring only to the exercise of what is conventionally called social responsibility, but to a wider range of actions directed at the promotion of real reform. Examples of such activities would be:

- channelling existing social responsibility investments to reform directed goals
- becoming participants in the reform alliances which are so crucial for effective change, and
- making resources available both by way of capital and manpower to facilitate reform directed initiatives. The private sector will have to investigate and redetermine its priorities concerning its capital investment policies to take into account the developmental needs of our society.

And finally private sector leadership will have to be much more overt in its approach towards the promotion and management of reform than it has been in the past. This is necessary to demonstrate our bona fides, not only in respect of the international community, but particularly in regard to our own black people.

If we assume, as I do, that we will enjoy a reasonably dynamic process of peaceful reform

WHAT THEN ARE THE MAJOR SOCIO-POLITICAL ISSUES WHICH WE SHOULD BE ADDRESSING?

These fall, I believe, under four broad headings:

1. The lifting as soon as possible of the state of emergency and the release of detained leaders not facing criminal charges.
2. In the meantime the implementation as soon as possible of certain reforms which need not necessarily be delayed by the existence of the state of emergency and which incidentally are all already under discussion by government.

And after the lifting of the state of emergency?

3. A genuine process of dialogue between the government and all credible black urban leaders (although dialogue should certainly continue in the interim with any leaders willing to participate).
4. Discussion and finally agreement on the over-riding issue of all – black participation in the central decision-making process.

Let me deal with each of these headings.

The first issue concerns the state of emergency and we should examine

The underlying reasons for the unrest and the likelihood of its early lifting.

There are many and varied reasons. I would suggest that the major cause has been the tremendous economic pressure in the townships brought about by increasing unemployment and the effects of inflation on food prices, rents and transportation costs. There has been the breakdown in the discipline of black youth, particularly those who have effectively abandoned their schooling. There has been genuine anger at the slowness of reform, particularly political. It was essential for the government, after the introduction of the new dispensation, to move swiftly on black participation in the central decision making process. It failed to do so. This has been accompanied by the emergence of a body of politicised leadership including representatives of the students with a capacity to exploit the many genuine and less genuine grievances of the people. And all this has been compounded by the lethargic response of the authorities to the legitimacy of those grievances and by an imperfect perception of the gravity of deprivation and discontent. So that, rightly or wrongly, in the eyes of the people the reform process and its pace have been a great deal less than their expectations.

And so, what was in the first instance a community response to economic grievances was quickly transformed into a major challenge to the authority of the state, culminating in the declaration of a state of emergency. There is debate, both locally and overseas, as to whether or not this was necessary. On balance at the time it appeared that it was because lawlessness in certain of the townships had reached the stage where moderate blacks, particularly those participating in any way with government or the "system", were in physical danger. Having said that, it is not at all clear now whether it is being effective. What is certain is that we desperately need to break the spiral of violence, to lift the emergency as soon as possible and to release the detainees. Because only then will it be possible to start effective negotiations with the leaders and adequately address our economic and political reform programmes.

It would however be facile, I am afraid, to believe that the emergency will be lifted quickly. Resentment and anger are at too high a pitch and it is extremely doubtful in any case whether all rioters are answerable to leaders. But security action alone can surely not be the answer. What is needed as a start has been suggested by Mr. J. H. Steyn of the Urban Foundation, and that is a statement by government of "An unambiguous commitment to fundamental change through an announced package of reforms that embody a clear vision of where South Africa is going and how it is going to get there." The problem of acceptance by black leaders of the "bona fides" of government would not be automatically solved by such a statement but it would certainly make its achievement more likely.

The second issue concerns

Reforms already under discussion which if implemented could have a significant effect on black perceptions of government credibility.

Four come to mind immediately

1. **The design of a positive urbanisation policy and of the influx control and pass laws**

   Overseas experience over many years points quite definitely to the fact that urbanisation is inevitable and irreversible and that it cannot be halted artificially. This is becoming increasingly accepted in South Africa and is borne out by statistics produced by the Urban Foundation which show that the major component of black population increase in white areas by the year 2000 will in any case be birth and not migration; and that the total black population in those areas will be 10,62 million with influx control maintained at its current state of efficiency and only 2 million more if influx control is abandoned.

   But what is still not recognised, however, is that urbanisation is also a positive process, one that is an important component of economic growth in any developing country. Case studies have established that the majority of migrants to the towns are the cream of the rural population, and that because they are better educated and motivated, they generally in due course find their way into employment or into the informal business sector where they contribute to economic growth. Another very important positive aspect of urbanisation lies in its effect on the rural areas, where it is an essential requirement if their socio-economic problems are to be tackled successfully. Because unless considerable numbers of people are relocated in the cities, there can be no hope or viability for those remaining, the majority of whom will be engaged in agriculture.

   If the inevitability of urbanisation is accepted the total rationale for influx control and pass laws is immediately destroyed. Their total elimination will not only lessen inter-racial conflict to a considerable extent, but will also relieve the state of considerable expense by releasing meaningful numbers of civil servants and police for more effective work elsewhere.

   It is accordingly very encouraging that the President's Council has now recommended to government an orderly urbanisation policy and the complete abolition of influx control and the pass laws. Let us hope the government accepts the recommendations without amendment and without delay.

2. **Cessation of removals**

   Forced removals have probably caused more harm to inter-group relationships than any other measure and, restricted as they have been to blacks, have been blatantly discriminatory. They have also arguably caused more harm to South Africa's overseas reputation than any other single government action. The government has announced, and appears to be honouring, a suspension of removals and as a result one has already seen an improvement in intercommunal relationships in such areas as Crossroads. But suspension is not enough. Removals by force, direct or indirect, must not be allowed under any circumstances in future. If there are to be any moves they must be on a completely voluntary basis. People must be persuaded to move because, for instance, they judge that the new accommodation will be preferable or that they will be better off economically.

3. **Achievement of visible results in the provision of accommodation**

The provision of housing for blacks over the past ten years has been most unimpressive, partly for economic reasons and partly because it has been used as a means of enforcing influx control. The problem lies not only in the paucity of the numbers produced, but also in the standards the authorities have insisted on. It is only now being appreciated that we have in effect been adopting first world standards to solve what is basically a third world problem, and that it will clearly be quite impossible for South Africa to finance this standard of housing for the requirements of the rest of this century. The Urban Foundation in its investigation of housing requirements has found that low standards such as those involved in site-and-service schemes are completely acceptable to the majority of blacks. What is of far more importance to them than standards is freedom from police and Development Board harassment, so that they achieve in effect a form of unofficial tenure and the ability to have their families with them. These findings were particularly relevant in:

(a) Crossroads – where between 100 000 and 200 000 people are living in great discomfort, but with considerable community spirit; and where a quite incredible number of small traders are carrying on relatively successful informal businesses.

and

(b) The greater Durban area, including Inanda and Umlazi, where it has been established that 43% of the total population and 68% of the black population are housed quite happily in shacks. Indeed the majority of those living in the kwaZulu area would not accept better housing in the Durban municipal area because it might bring them into contact with influx control.

One of the few encouraging aspects of the State President's Durban speech was his announcement that R1 billion will be spent on upgrading urban areas in the next five years, and this is to be greatly welcomed. Let us hope though that it is not entirely spent on formal housing.

4. **Achievement of visible progress on black education**

There are many reasons for the current breakdown in the discipline of black youth in the townships. But one which has been at the root of restlessness for many years is complete dissatisfaction with the inferior standard of black education. The government has moved and has promised to move further in its attempts to correct this situation. But its difficulty lies in the fact that education is by its very nature a long term process and that the pace of reform likely to be achieved will never satisfy the young blacks. However a move such as the setting up of a common educational department embracing all population groups, but not necessarily in integrated schools as was recommended by the De Lange Commission, would create a much better atmosphere and help to restore government credibility in the educational field.

The third issue concerns the very difficult problems of

Achieving dialogue between the government and credible urban black leaders

It is impossible to exaggerate the importance and the urgency of this issue because until there is such a dialogue there can be no possibility of a negotiated political settlement. And what is very clear is that it will become most difficult to achieve the longer it is delayed. It is not easy for non-politicians to understand why it has not been possible for government and any of the urban black leaders to meet in private and at least to come to an understanding of each other's views and requirements, in the process hopefully building up the mutual trust and respect which are essential pre-requisites to any final agreement or compromise. Instead we have had to listen to a public debate conducted through the media restricted basically to the preconditions to talks required by all parties. And in the process political stances are clearly over-riding the national well-being. What are the apparent barriers to the opening of dialogue?

1. The main barrier must be the state of emergency and the detention of many urban black leaders with whom dialogue should be taking place. And that is why it is so essential for it to be lifted as soon as possible.
2. There is the very high level of distrust of government amongst many black South Africans, particularly in the urban areas. As a consequence it is very difficult for any leader to be seen to be talking to government on its terms and in the context of the present political system.
3. Then, although the State President made an offer in January, and reiterated it in his Durban speech, to meet with any black leader, he limited his offer to "elected" leaders and would not extend it, as he put it, to "self-appointed" leaders. This automatically excludes the many acknowledged township leaders who did not participate in last year's local authorities elections. And in particular it excludes such people as Bishop Tutu, who, even if he is not necessarily a leader for the purpose of negotiating constitutional changes, is certainly a symbol of hope for many in the current unrest.

   In passing it was noticeable that the word "elected" was missing in the government statement to the three E.E.C. foreign ministers. Was this a deliberate omission or not?
4. There is the very difficult problem of the ANC and in particular Nelson Mandela. The government stance is understandable, particularly as recent pronouncements by the external wing and by

Mandela himself reflect a steadily toughening attitude against dialogue and participation in the quest to find solutions to our problems. Nevertheless the ANC, and Mandela, are facts of South African life and no dialogue between government and black South Africans will be complete without at some stage some ANC participation. The government carries a very great and unenviable responsibility in deciding whether Mandela is a greater danger to South Africa in or out of prison.

5. I add a final tentative barrier and that is that the designated chairman of the forum is a cabinet minister. It may well be that black leaders would respond better if there were an independent chairman or even an independent body to conduct the initial discussions.

With individual positions and stances becoming more and more fixed and with a number of leaders clearly opposed to any negotiation, it would be naive to believe the prospects for an early and effective dialogue are good. And yet with the increasing polarisation between community groups it becomes more and more vital as the days go by. This has been very clearly recognised by the private sector as was evidenced by the recent call to government by the F.C.I., Assocom, NAFCOC and the Urban Foundation. Amongst other matters they suggested that the government should announce in advance a clear acceptance of an open ended agenda; that the agenda be fixed prior to formal negotiations and that it include all issues important to any group; and that negotiations should then start. My own belief is that it will be some time before a negotiation at national level will be possible. And so it is very important in the meantime that there should be as many discussions as possible at regional and local level between the leaders of the various population groups in those areas.

The fourth and final issue and the one which is rapidly taking precedence in the eyes of many blacks over all other reform requirements is the question of

Black participation in the central decision-making process.

The State President has committed himself on a number of occasions, and he reiterated it once more in his Durban speech, to finding a solution to the problem of political rights for blacks, particularly urban, and he and the cabinet are clearly in earnest. But it is very clear, even before negotiations start, that government and black perceptions of the form of political participation will certainly differ widely. And the main difference as I see it will arise in the interpretation of "power sharing".

The government belief, and it is the underlying basis of the incredibly complicated form of government in the tricameral parliament and the new regionalisation policy, is that to prevent any one group dominating another. It is essential, in the words of Minister Stoffel Botha, to ensure "the self determination of each group over its own affairs and joint decision-making by all only on matters of common concern, as well as devolution of power as an additional means of strengthening the own affair component as far as possible in order to eliminate conflict to the greatest possible degree".

The approach of a highly respected leader such as Chief Minister Buthelezi is fundamentally different and although the standpoint of other groups, such as for instance the ANC, will undoubtedly differ from his in certain other respects, they would all surely coincide with his basic belief and requirement. And that is that there should be a very definite form of "power sharing" and not just "power division", based on "own" and "general" affairs. He regards "power division" as a mere tinkering with the present system and as such designed to preserve "apartheid". And it is frankly very difficult to anticipate that Chief Minister Buthelezi and other black leaders can or will move away from this stance. Indeed he made this very clear in the two letters he recently addressed to many South African leaders justifying his refusal at this stage to enter into dialogue with the government on this very issue.

And so it would appear inevitable that when the process of negotiation takes place there will be basic impasse, which will call for compromise from both sides. A compromise which is being debated outside government circles is the acceptance of a unitary state but with strong written constitutional guarantees, possibly in the form of a Bill of Rights.

Chief Minister Buthelezi, (but no other black leader) has already offered his compromise, politically a very brave one, in accepting that the time is not ripe for a one-man one-vote system in a "power sharing" constitution. The government, however, has made it very clear that such a solution is unacceptable, because, as Minister Stoffel Botha puts it, "It became apparent very soon however that such constitutional guarantees were not worth the paper on which they were written. One dictator after another tore up the constitution and treated the minority exactly as he pleased ..."

Nevertheless a compromise will have to be found and one can only hope that an ongoing and meaningful reform process will remove the current state of distrust and produce the right atmosphere for the revitalisation of black local authorities and for political compromise on central power sharing. That compromise will be worked out by professional politicians and constitutional experts, black and white. I am certainly no such expert but it would seem to me that taking into account the political and group realities in South Africa our eventual path must surely be a form of federalism embracing all pre-1948 South Africa. The central government, in which all groups would participate, having sovereign powers over a very limited number of functions in terms of a written constitution. The Federal units, some of which would be black – notably the present independent states and the homelands, and the rest mixed – black, white, Coloured and Indian – having in turn sovereign powers over all the other functions devolved to them. Individual Federal units could well have different forms of government and in particular kwaZulu/Natal might follow the recommendations of the Buthelezi Commission. There would have to be watertight and acceptable safeguards for basic human rights and for protection of minority rights against majority domination in each and every unit. The practical implication of this would be that no single group could dominate the whole society unless it captured each and every unit of government in the whole country.

There would, however, have to be one common feature if such a Federation were to succeed. And that is that each Federal unit would have to be economically viable. This would pose considerable problems for most if not all of the present independent states and homelands, and a solution might have to be for the more affluent units to pay over to the less affluent a share of the revenue earned from the input of the latter's labour.

CONCLUSION

Let me revert finally to our current economic situation and to the possibility of a resumption of growth. Until recently it appeared as though it might be possible to encourage a minor reflation based on our improved balance of payments. The refusal of certain overseas banks to roll over loans and the imposition of the moratorium have at the very least reduced that possibility. The Reserve Bank is now engaged in assessing the likely national dollar flows over the next few years to enable it to arrive at the sort of dollar pool it is likely to have at its disposal. The priorities on this pool will be the amount which will have to be held in reserve to protect the rand at the level eventually decided upon by the Bank and the amount which will be necessary to finance ongoing trade payments. The balance will be available to encourage domestic growth and to repay foreign loans. Only when that exercise is completed will it be possible to determine how much can be allocated to the domestic economy.

Certainly no major sustainable growth will be possible before our basic political problems are tackled and before our overseas trading partners and bankers are satisfied the country is not on the brink of a revolution and that we are firmly committed to meaningful political reform. In this regard we should not underestimate the damage that has been done to our international credibility and the effort which will be necessary to restore it.

But all is not gloom. There is a possible silver lining. Our economic crisis can have a positive impact on the political will of government. The government understands that unless there is a return to economic stability and growth, job creation and the promotion of home-ownership with its strong stabilising impact will be detrimentally affected. It must also be coming to understand now that there is a clear and demonstrable link between political and economic stability. For these reasons the chances of a package of reforms being promoted and implemented are probably much greater than they would be in times of economic tranquillity.

A. M. Rosholt
Johannesburg, September 1985

Aanon Michael "Mike" Rosholt, CA (SA), is executive chairman of Barlow Rand Limited, South Africa's largest industrial company. Apart from the many group directorships he holds, he is also vice-chairman of Standard Bank Investment Corporation, deputy chairman of Standard Bank of South Africa, a director of South African Breweries and the Old Mutual.

He is chairman of the African Children's Feeding Scheme, a director of the Urban Foundation, a Trustee of the South Africa Foundation, a Fellow of the Free Market Foundation and a Governor of Michaelhouse School.

He holds an Honorary Doctorate in Economics from Natal University and is an Honorary Fellow of the College of Medicine of South Africa.

Mr. Rosholt was elected Chancellor of the University of the Witwatersrand in 1982 and is a Trustee of both Natal University and the University of the Witwatersrand.

In 1984 Mr. Rosholt received the Harvard Business School Club's Business Statesman of the Year Award.

In recognition of his devotion to the needs of others as well as for his contribution to education, he was awarded a Paul Harris Rotary Fellowship Award in 1983.

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CSO: 3400/788

HAZARDS OF CONDUCTING BUSINESS IN RSA EXAMINED

Johannesburg THE SUNDAY STAR (Finance) in English 8 Dec 85 p 2

[Article by John Maclennan: "Can SA Survive The Hassle Factor's Triple-Shammy if Foreign Companies Pull Out?"]

[Text] Milsid Kuhn is a 35-year-old electronics whizz who maintains high-technology computers for the American firm Hewlett-Packard.

He is also a statistic, one of an estimated 600 000 South Africans who could face severe repercussions if the disinvestment and sanctions campaign has the effect foreseen by the anti-apartheid lobby.

This product of Saint Columba's School in Athlone, Cape Town, started off by fixing photographic equipment and moved on to become a traveling repairman of accounting machines and computers before joining Hewlett-Packard.

The firm flew him to Silicon Valley in California for a three-month course on its HP 1000s and today he is titled "customer engineer."

The job involves work on highly technical computers such as those used by universities--a sizeable step up from the sort of machine you find in your local building society.

The company subscribes to the Sullivan Code and pays, according to a senior executive, extremely good money to those who perform well--irrespective of race. It also enables employees, such as Mr Kuhn, to grow in the job through on-going training.

Mr Kuhn regards Hewlett-Packard as much more professional than any South African company he has worked for and notes that employment conditions are very good. For him the sky is, in fact, the limit...as long as he is up to the job.

He is sanguine about sanctions and disinvestment, because Hewlett-Packard is one of the few US corporations which has announced it is here to stay in spite of the disinvestment campaign.

This compares with other companies, mainly American, who are either rethinking their situation here in terms of the moral, political and economic pressure they face, or who have already pulled out. It is known that 30 firms left South Africa between 1980 and 1984.

Professor Robert Schrire, who heads UCT's Department of Political Studies, believes they and the country are victims of what he terms a "simple moral fable" which goes something like this: "The white racist Government is suppressing the black majority and the whites won't change.

"They see the structure as being supported--albeit unwittingly--by US companies who pay taxes. And they see the only moral action to be constructive disinvestment."

All this intensifies The Hassle Factor. He was told by one executive: "Although I am in charge of a company with operations in 97 countries around the world, 110 percent of my time is spent on South Africa."

The problems faced by American companies who operate here cover a wide spectrum and include social pressure (as evidenced through clubs and churches), demonstrations, campaigns and boycotts. Activist Jesse Jackson caused great headlines with: "Don't Choke on Coke."

In New York, he notes: "The Mobil building is literally like a fortress. It makes airport security look like child's play."

The United States and our main European trading partners--which together account for more than 90 percent of foreign investment here--have already decided on limited sanctions against this country or accepted the principle of doing so.

Many companies might be willing to stand up to this sort of pressure if it were lucrative to do so, but it no longer is. They arrived in the 1950s and 1960s when South Africa experienced incredibly high growth rates and the strong rand provided profits which looked good on balance sheets abroad.

Then the rand used to be worth 130 US cents. Today it has plunged to 36.

"Huge assets have in a material sense been reduced by two-thirds and have become marginal."

So foreign investors now face a Lil' Abner-type triple-whammy of three negative factors: moral, political plus economic.

He takes a grim view of the future: "This country has no future whatsoever unless it can dramatically increase the rate of job-creation. There is also no chance of a settlement unless there is a decrease in the inequality between the various races...pensions, wealth, land.

"The disinvestment process, even if it lowers the growth rate by only 1 percent, dramatically reduces our capacity to resolve these twin problems."

On the plus side: major companies are unlikely to disinvest because it would cost them so much.

"If they decided to go out in the short term the rate could go down to 15c. Smaller concerns are much more likely to disinvest because their holdings are much more marginal and their involvement much more recent."

At the same he holds that some companies who invested here have a real commitment, a real concern for South Africa: "It is not just the money they make. They feel they are part of this society."

Professor Davis Rees, of UCT's Business School, patted the Government on the back for some recently announced measures such as putting money back in the economy which will create consumer demand and save some businesses from going to the wall, but had a pessimistic view of our economic future.

He identified the outflow of funds as an obvious and major problem: "The reason why foreigners want their money back is because they don't have much confidence in South Africa. Nor do they want to be accused of supporting this regime. Our basic problem is not economic but political.

"Foreign investors have two requirements. They want a decent return on their money and they want to avoid political problems. They are getting neither."

His prediction is: "South Africa's markets will slowly close up. It will become more difficult to import or export. Our Foreign exchange is being pre-empted to pay off loans."

Mr Kent Durr, Deputy Minister of Trade and Industry, described the Peugeot pullout as the result of normal market forces: "We are unique in the world with so many motor contractors and manufacturers. The market is just shaking itself out."

On the question of an economic counter-strategy, he said the Government could but put its view, which was that one could not just turn an economy on and off like a tap.

"This is the lesson of Africa. Some countries have destroyed their infrastructure in search of liberty, never to be rebuilt. We have to point out tht nobody wants to inherit a desert."

He describes the economy as the engine of reform to raise standards of living and meet aspirations. The engine, he believes, is about ready to start up again.

"I've been feeling much better over the last six to eight weeks about how things are going. I base this opinion on the applications I receive, the representations I listen to, and information from other departments.

"Next year we expect a growth rate of 3 percent from a negative growth rate of 2 percent."

He predicted Government moves towards reform would be disclosed in Parliament. "This will provide answers to questions, more certainty, confidence. And confidence is what business is all about."

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CSO: 3400/767

CAPITAL OUTFLOWS NULLIFY TRADING GAINS

Johannesburg SUNDAY TIMES (Business) in English 8 Dec 85 p 1

[Article by David Carte]

[Text] The current account of the balance of payments hit an annualised surplus of R6,9-billion in the third quarter--but capital outflows more than nullified trading gains and the reserves fell R1,5-billion in the quarter.

The Reserve Bank bulletin shows that the current account surplus increased from an annualised $2,7-billion to $3-billion in spite of the lower rand.

Invisibles

The surplus was largely the result of a 29% increase in gold production, which had been reduced in the second quarter by strikes. Exports were largely stagnant in the quarter, and imports rose slightly.

A worrying development is that after rising steeply for nearly two years, the value of exports rose by only 1,5% and in volume terms fell by 3%. Price and volume increases were responsible for a 6% increase in imports. Service and transfer payments, the invisibles, rose R1,1-billion to R6,5-billion in the quarter.

There was a large outflow on the capital account in the first quarter. This was staunched in the second quarter. But in the third quarter there was another large outflow. The total outflow for the three quarters was R5,4-billion.

Brave Face

The bank says: "This renewed outflow of capital...was mainly related to the withdrawal of credit facilities by certain foreign banks and the intensified disinvestment campaign against the country.

"Not only was there a large net outflow of short term capital to the amount of R2,6-billion, but for the first time since the third quarter of 1983 a net outflow of long-term capital amounting to R349-million also occurred."

The Reserve Bank puts a brave face on these developments, saying large current account surpluses "have been employed to reduce South Africa's net foreign indebtedness."

It says the economy has "improved fundamentally in certain respects," money supply is under control, domestic saving has improved, foreign debt has been reduced and excess demand has been eliminated.

Explaining its more accommodative monetary policy, it says: "The bank deemed it desirable to contribute to the utilisation of the scope existing in the economy for increased spending and output, rather than to attempt to strengthen the rand through raising interest rates and applying classical deflation in general."

Negative

SA experienced a modicum of growth in the third quarter, gross domestic product increase being positive after being 5% negative in the second quarter.

Gross domestic saving increased, reaching 30% of GDP. Gross domestic fixed investment kept falling, real inventories increasing marginally.

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CSO: 3400/767

ASSOCOM ISSUES MESSAGE ON ECONOMY IN 1986

MB311229 Johannesburg SAPA in English 1211 GMT 31 Dec 85

[Embargoed until 2300 GMT 31 December]

[Text] Cape Town, 31 December SAPA--South Africa should focus its political, economic and business policies on achieving a much stronger rand in 1986, the chief executive of the Association of Chambers of Commerce [ASSOCOM], Mr Raymond Parsons, said in a New Year message.

Positive action by the public and private sectors was needed on the political and economic levels to bolster confidence within South Africa and abroad.

The message from ASSOCOM reads:

"Although South Africa is entering the new year with a positive surplus on the current account of the balance of payments, 1986 will be another year in which overall economic performance and political stability will remain interdependent.

"The single most important economic barometer of success in these spheres will be a much stronger rand and South Africa should, therefore, focus its political, economic and business policies on achieving this goal in 1986.

"Renewed economic growth is required to create jobs and raise standards of living, and a sound economy is also necessary to underpin constitutional reform.

"This will generally call for positive action on the political and economic levels [of] both the public and private sectors to strengthen confidence, not only in South Africa, but also overseas.

"This should include definite decisions by government in 1986 to reduce the burden of taxation in ways which will make it more attractive to locate, invest and produce in South Africa.

"Nineteen eighty-six should, therefore, be the year in which all positive economic and political factors should be harnessed to bolster the rand, and thus to lay a solid foundation for an economic upswing over the next 12 months."

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CSO: 3400/804

DETAILS ON RSA'S TOP BUSINESSES PUBLISHED

Johannesburg SUNDAY TIMES (Top 100 Companies) in English 8 Dec 85 pp 1, 2, 14]

[Article by David Carte]

[Text] Metair, the components maker for Toyota and other Japanese vehicles, is Business Times Top Company for 1985.

This is the second consecutive year that Metair has topped our rankings. Metair came literally from nowhere to sales fast approaching R200-million and pre-tax profit last year to more than R18-million.

Metair was the best performer for shareholders in the five years to September in spite of the most appalling motor year--and a drop in profits this year.

Stablemate

A shareholder who bought Metair shares in September 1980 received an average return of 77,8% a year compound on his money for the five years. An initial investment of R1 000 would have grown to R17 768 in five years.

Metair's stable mate, Toyota, also held up well in spite of poor results to take seventh position, returning 48,9% a year for those astute or lucky enough to have bought the stock five years ago.

Although the Johannesburg Stock Exchange remains near all-time highs in spite of the most devastating recession since the 1930s, returns to shareholders in the five years are down sharply.

Remarkable

The average five-year return on the top 10 companies was a creditable 58% a year--but last year it was a stunning 66%.

This year, the all-in return on the 100th company was 15%. Last year it was 28%.

Second in the rankings is Frame Group company, Natal Consolidated, which gave five-year shareholders a return of 68,5% a year on their money.

Another Frame company, Natal Canvas is fourth, and Consolidated Textiles ranked a respectable 16th.

Frame Group companies have had a remarkable run on the stock exchange since shortly before the heirs of Philip Frame and the directors resolved their dispute over control.

Blue Chips

A feature of this year's top companies is that so many of them achieved their high rankings through attention to business basics. There are few flukes, flashes in the pan and overnight successes in the top 20.

Most of the top 20 companies appear to have followed the "In Search of Excellence formula--loving attention to customers and staff, eagle eyes on stocks, debtors and borrowings and plenty of unglamorous hard work behind the scene.

Readers will recognise this instantly in illustrious blue-chip names, such as Toyota, Pick 'n Pay, Liberty, Rembrandt and Northern Engineering. But the consistent pursuit of excellence is evident in lesser-known companies, such as Suncrush, Waltons, Gypsum, Irvine and Johnson and Trencor, as well.

One could argue that there is an element of luck in the prominence this year of the fishing companies. Five years ago when quotas were slashed, they were poorly rated.

Components

This year they made a strong recovery, not only because the fishing was better and profits were bigger, but because of handsome cash payouts and a good deal of hope built into fishing shares. The hope is that the fish resource is recovering and that export realisations will be sensational. Fishing companies occupy positions 10, 13, 17 and 18 and helped Tiger Oats to attain No 20.

One could also argue that Metair is a company that had the good fortune to be transformed into a components major by its parent, Wesco. But that would be to diminish the general quest for excellence in the greater Toyota empire.

Some might argue that the Frame companies prominence represents a special situation, but there was no question of excluding them.

The value that is now emerging was built up by attention to business basics--adequate depreciation, plant maintenance and investment, an aversion to debt--over a lifetime by Phillip Frame. The market has appreciated the value in Frame only recently.

Borne Out

Rembrandt is another company that bears out the Joel Stern thesis that meanness with dividends pays.

For years Rembrandt traded at a discount to its worth because it was seen as tight fisted. The benefits have recently come home to roost in the form of steadily rising earnings and dividends.

Rembrandt was considering bringing its foreign cash home for investment in mineral and energy and today must be blessing its cotton socks for its inertia. The rand's fall trebled the value of the foreign bank balances as well as interest and dividend income from abroad. Rembrandt has been the best performing company that has had a blue-chip rating for 10 years.

Of course, it is more of an achievement for a big company like Rembrandt to achieve big returns for shareholders than for a smaller company. Rembrandt's success has enriched South Africans generally to the tune of many millions. As well merited as Metair's achievement was, it did less to enrich the community.

Stores Winner

Pick 'n Pay, ranked sixth, compared to Clicks 21st, is far away the top stores stock, though it will have to do some running to stay ahead of Carlos dos Santos's Score if that company can maintain the pace of its first year on the JSE.

Natal has never been known as a business centre, so there is some irony in the top four companies all being Natal based.

Suncrush, which bestrides cold drinks in the hot and thirsty midlands of Natal like a colossus, ranks No 3 with a return for shareholders of 61,7%. Part of Suncrush's success is due to exceptional management.

Suncrush has gone from strength to strength since selling its shares in Randles Brother and Hudson under protest when Hunt Leuchars and Hepburn came to the market in a reverse takeover in 1978.

Exceptional

Waltons Stationers, ranking fifth, gave shareholders a five-year all-in return of 54,4%. This is another exceptionally run company, where sound trading and containing costs come long before executive egos.

We expected the list to change radically when we changed the rules for the Top 100 last year. There has been less change than expected.

Four of the top 10 this year were in the top 10 last year--Metair, Toyota, Natal Consolidated and Gypsum Industries. Newcomers, Natal Canvas, Pick 'n Pay, Remgro and Sea Products pushed top-quality companies like Trencor, last year No 10, this year No 19, Cadswep (22 against 13), and Altech (27 against 24) down the rankings.

One would have expected to see more beneficiaries of a weak rand among the top companies but Rembrandt and Trek are the only ones in the top 25.

Nevertheless, the gold mines and mining houses, already highly rated in 1980, would not have been so high had it not been for the soft rand.

Eloquent

The stock market's most eloquent tribute to Loucas Pouroulis has been to make Cons Modder top mining stock.

It will be no surprise that Johnnies is the top mining house.

Top bank is rerated Stanbic and leading short-term insurer, surprisingly, is Mutual and Federal, which ranks ahead of SA Eagle in spite of calamity last year. The explanation is probably their ratings five years ago and the immediate profit outlook today.

The rankings do appear to reflect quality as seen by the JSE if one looks at the order in which the engineering/technology stocks are rated, with Altech, top of the pile, followed by Edward L. Bateman, Reunert, Haggie, Anglo-Alpha, Everite, M&R and Grinaker.

The Top 100	*AAR Yield %
1. Metair Investment	77,8
2. Natal Consolidated	68,5
3. Suncrush	61,7
4. Natal Canvas	58,3
5. Waltons Stationery	54,4
6. Pick 'n Pay	50,2
7. Toyota SA	48,9
8. Rembrandt Group	44,8
9. Gypsum Industries	42,3
10. Sea Products SWA	41,3
11. Northern Engineering Africa	40,0
12. Liberty Life Association	39,7
13. Oceana Fishing	38,7
14. Consolidated Modderfontein	38,5
15. Canadian Overseas Packaging Ind	38,5
16. Consolidated Textile Mills	38,4
17. Irvine & Johnson	37,4

*AAR: Annual average return on initial investment assuming dividends are reinvested at 12% pa.

The Top 100		*AAR Yield %
18.	SWA Fishing Industries	37,0
19.	Trencor	35,6
20.	Tiger Oats	34,7
21.	Clicks Stores	34,4
22.	Sadbury Schweppes	33,9
23.	Sage Holdings	33,3
24.	Trek Petroleum	32,4
25.	Pepkor	31,3
26.	Consol	31,0
27.	Allied Technologies (Altech)	30,9
28.	Standard Bank Invest Corp (Stanbic)	30,4
29.	Masonite (Africa)	29,9
30.	Plate Glass & Shatterprufe Ind	28,3
31.	Edward L. Bateman	28,1
32.	Foschini	27,6
33.	Claude Neon	27,5
34.	Reunert	27,4
35.	South Atlantic Corporation	27,4
36.	Unisec Group	26,7
37.	Johannesburg Consol Invest	25,2
38.	Mutual & Federal Insurance	25,1
39.	Woolworths Truworths Holdings	25,1
40.	Haggie	24,1
41.	Anglo-Alpha	23,9
42.	Bank Holdings Corp (Bankorp)	23,7
43.	CNA Gallo	23,5
44.	Rustenburg Platinum	23,5
45.	Free State Development	23,5
46.	Randfontein Estates GM	23,0
47.	Everite	22,9
48.	Commercial Union Assurance Co	22,7
49.	Vaal Reefs Exploration & Mining	22,6
50.	Volkskas Property Trust	22,1
51.	Associated Manganese Mines	21,9
52.	SA Manganese Amcor (Samanco)	21,7
53.	Murray & Roberts Holdings	21,7
54.	Grinaker Holdings	21,4
55.	National Selections	21,4
56.	Curries Finance	21,2
57.	New Wits Gold Exploration	21,2
58.	Industrial Selections	21,0
59.	SA Breweries	20,8
60.	Malbak	20,8
61.	E Transvaal Consolidated Mines	20,7

*AAR: Annual average return on initial investment assuming dividends are reinvested at 12% pa.

The Top 100		*AAR Yield %
62.	SA Eagle Insurance Company	20,6
63.	Argus Printing & Publishing	20,4
64.	First Union General Invest Trust	20,4
65.	Kinross Mines	20,2
66.	Carlton Paper Corporation	20,1
67.	Guardian National Insurance Co	19,5
68.	Barclays National Bank	19,0
69.	Premier Group	19,0
70.	Saficon Investments	18,6
71.	Anglovaal	18,4
72.	Sakers Finance & Investment	18,4
73.	Sasol	18,4
74.	Boland Bank	18,3
75.	Kloof Gold Mining	18,3
76.	Anglovaal Industries	18,2
77.	Nedbank Group	18,1
78.	Dunlop South Africa	18,1
79.	Santam Insurance	18,0
80.	Incorporated General Insurances	17,9
81.	McCarthy Group	17,9
82.	Vaderland Beleggings	17,6
83.	Anglovaal Holdings	17.4
84.	Impala Platinum	17.3
85.	Nampak	16,9
86.	Volkskas Group	16,7
87.	Rand Mines Properties	16,7
88.	Gencor Investment Corp (Genbel)	16,7
89.	M. Goldstein	16,4
90.	African Oxygen (Afrox)	16,3
91.	John Orr Holdings	16,1
92.	Chemical Services	15,4
93.	Anglo American Properties	15,3
94.	TW Beckett & Co	15,3
95.	Garlick	15,3
96.	Leslie Gold Mines	15,2
97.	Lion Match Company	15,2
98.	Winkelhaak Mines	15,2
99.	Afrikaanse Pers	15,1
100.	Otis Elevator	14,9

*AAR: Annual average return on initial investment assuming dividends are reinvested at 12% pa.

Top Performers of 1985

Compound earnings growth over five years

		e-growth
1.	Metair Investment	34,2
2.	Suncrush	33,7
3.	Waltons Stationers	33,0
4.	Northern Engineering Ind Africa	32,9
5.	Allied Technologies (Altech)	31,9
6.	Trek Petroleum	29,7
7.	Sam Steele Holdings	28,7
8.	Pepkor	27,5
9.	Clicks Stores	27,4
10.	Irvin & Johnson	25,0
11.	Sasol	22,4
12.	Cadbury Schweppes	20,7
13.	Trencor	20,4
14.	Pick 'n Pay Stores	20,0
15.	Foschini	19,6
16.	Anglo-Alpha	19,2
17.	SA Breweries	19,1
18.	SA Bias Holdings	19,0
19.	Pretoria Portland Cement	18,5
20.	Rembrandt Group	18,2
21.	Edward L. Bateman	17,8
22.	South Atlantic Corporation	17,4
23.	Sappi	17,2
24.	Industrial Investment Co	17,0
25.	Consol	16,6
26.	Power Technologies	16,2
27.	Common Fund	15,9
28.	Micor Holdings	15,5
29.	Plate Glass & Shatterprufe	14,3
30.	Gypsum Industries	14,2
31.	Southern Sun Hotel Holdings	13,8
32.	Vaderland Beleggings	13,5
33.	Plascon-Evans Paints	13,3
34.	Blue Circle	12,2
35.	Carlton Paper Corporation	11,5
36.	Coates Brothers (SA)	10,7
37.	Murray & Roberts	9,7
38.	Crookes Brothers	9,3
39.	Claude Neon	8,9
40.	Premier Group	8,9
41.	Malbak	8,6
42.	Mooi River Textiles	8,5
43.	TW Beckett & Company	8,3
44.	SWA Fishing Industries	8,3
45.	Haggie	8,2
46.	Otis Elevator	8,1
47.	Garlick	8,1

Top Performers of 1985

Compound earnings growth over five years

		e-growth
48.	Everite	7,8
49.	Nampak	7,8
50.	African Oxygen (Afrox)	7,5
51.	Barlow Rand	7,5
52.	Curries Finance	7,2
53.	Globe Engineering Works	7,1
54.	Metal Closures Group SA	7,0
55.	Associated Furniture Cos (Afcol)	6,8
56.	Federale Mynbou	6,5
57.	General Mining Union Corp (Gencor)	6,4
58.	Ovenstone Investments (OIL)	6,3
59.	Gubb & Inggs	6,2
60.	Darling & Hodgson	6,2
61.	Utico Holdings	5,0
62.	Federale Voedsel (Fedfood)	4,8
63.	Toyota	4,2
64.	Anglovaal Industries	3,7
65.	Mcarthy Group	3,0
66.	Dorbyl	2,8
67.	Cementation Company Africa	2,1
68.	BYR South Africa	2,1
69.	Rentmeesterbeleggings	1,9
70.	AECI	1,8
71.	Canadian Overseas Packaging (Copil)	1,7
72.	Consolidated Textile Mills	1,6
73.	Grinaker Holdings	1,5
74.	Currie Motors	1,2
75.	Delswa	1,2
76.	Anglo American Industrial Corp	0,8
77.	Dunlop South Africa	0,6
78.	Associated Ore & Metal (Assore)	0,0
79.	Ninian & Lester Holdings	-,3
80.	Tongaat-Hulett Group	-,6
81.	Progress Industries	-1,3
82.	Adonis Knitwear Holdings	-1,5
83.	Willem Barendsz	-1,7
84.	Haddons	-2,4
85.	Chubb Holdings	-2,8
86.	Natal Chemical Syndicate	-3,2
87.	Culinan Holdings	-3,7
88.	Saficon Investments	-3,9
89.	Sakers Finance & Investment	-4,1
90.	Tweefontein United Collieries	-4,3
91.	Coronation Syndicate	-4,4
92.	Frasers Ltd	-4,6
93.	Kohler	-4,6

Top Performers of 1985

Compound earnings growth over five years

		e-growth
94.	General Optical Company	-7,0
95.	Anglo American Investment Trust	-8,2
96.	OK Bazaars	-8,9
97.	Berzack Illman Investment (Bivec)	-9,6
98.	Amalgamated Retail (Amrel)	-10,6
99.	Aberdare Cables Africa	-10,6
100.	Berzack Brothers (Holdings)	-11,0

Those Who Didn't Make It

Disqualified for insufficient trading or as holding company

	Return (%pa)	Position it would have held
Caxton	77,3	2
Wesco Investments	56,7	6
Technical & Ind Inv (TIB)	48,0	10
Technical Invest Corp (Tegkor)	46,0	11
Rembrandt Controlling	45,9	13
Liberty Holdings	43,5	14
Bester Investments	39,2	19
Allied Electronics (Altron)	34,3	30
Hosken Consolidated Invest	34,1	31
Metal Closures	31,2	36
Union Cold Storage	30,6	39
Adcock Ingram	30,0	41
Placor Holdings	29,4	43
Lydenburg Platinum	29,0	44
Anchusa Holdings	29,0	45
Mobile Industries	28,3	46
SA Woolen Mills	27,8	49
Bolton Industries	27,5	52
Fintec	25,3	56
B&S Steel Furniture	24,1	61
Burlington Industries	22,5	71
Protea Assurance	21,6	76
Picardi Canning	21,4	77
Willem Barendsz	21,0	82
Micor Holdings	20,7	86
Premier Industries	20,5	90
Alex Lipworth	20,3	93
Amalgamated Industries	20,3	94
Picardi Finance	20,3	95
Berzack Illman	19,9	98
Globe Engineering	19,8	100

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SOUTH AFRICA

DUTY-FREE EXPORT ZONE FOR BORDER CONSIDERED

Durban WEEKEND POST (Business) in English 14 Dec 85 p 1

[Article by Louis Beckerling]

[Text]

THE Government has denied taking a decision in principle to establish an export processing zone (EPZ) in East London.

An EPZ is designed to promote exports by isolating a secure duty-free environment into which raw materials and semi-finished inputs can be imported for process and price-competitive re-export, since the finished product is exempt from crippling cost increases arising from customs duties and other taxes.

Officials in the Department of Trade and Industry in Pretoria this week dismissed rumours that a decision had been taken which favours the creation of an EPZ to serve East London and neighbouring Transkei and Ciskei.

In an official response to a BUSINESS POST inquiry, Trade and Industry included a denial that such a proposal was even under consideran appropriate moment at which to release the news, a Trade and Industry official said this week:

"In 1978 the Government appointed a committee of experts (under Professor Colin McCarthy) to investigate the possibility of establishing an EPZ.

"On the basis of their recommendations the Government decided against establishing a free processing zone in one area, and instead in 1980 introduced a special ation.

This conflicts directly with comments from Mr Peet de Pontes, National Party MP for East London City, who said this week an investigation into an EPZ had been launched by the Department of Trade and Industry following recent new representations made by East London in this regard.

"I will reserve comment until an official statement is made," Mr De Pontes said this week, "but I can say that the matter is receiving attention at the moment, following representations made by East London."

The rumoured decision also follows representations made by Port Elizabeth for the creation of such an EPZ in the greater Algoa Bay industrial area.

Responding to rumours that a decision had been taken and the Government was now merely waiting for rebate item in Schedule 4 of the Customs and Excise Act.

"In terms of the rebate (470.3), any person can import raw materials or semi-processed products and complete their manufacture for export, without paying import duties.

"That was the Government's position in 1980 and it's still the position in 1985. I'm not aware of any initiative on the part of Government to establish an EPZ in either East London or Port Elizabeth."

When it was pointed out that both East London and Port Elizabeth had recently made further additional representations in this regard, and that their spokesman understood the matter had been re-opened for investigation, the spokesman added:

"There may have been further communications on the subject, but I'm not aware of any initiative on the part of Government to re-open the investigation."

While spokesmen for industry in East London said this week they would be "delighted" if an EPZ were located in East London, such a decision will be greeted with dismay by many in Port Elizabeth.

"It would be a disgrace if once again Port Elizabeth's justified claims on job-creating investments were overlooked by the Government," said former councillor Mr Roald Pearson, author of a report on EPZs.

The Midland Chamber of Industries' Mr Brian Matthew concurred with the view that existing rebates and incentives effectively turned the entire country into an EPZ.

"Were any specific area now to be turned into an EPZ we would want to know what the criteria for selection were, and what the cost-benefits would be," said Mr Matthew.

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COMMENTARY ON ANC-BUSINESSMEN'S MEETING IN LUSAKA

Johannesburg WEEKLY MAIL in English 20-26 Dec 85 p 8

[Article by Benjamin Pogrund: "Big Business Joins the Bandwagon"]

[Text]

IT'S unfair that hot coals are heaped only on the heads of the Nationalists.

Not that they don't deserve savage condemnation: they are primarily to blame for the state of our country and the misery being inflicted on so many; as the government they carry responsibility for it. But the blame is not exclusively theirs: apart from anyone else, the business community shares it in considerable measure.

During all those pre-verligte years, when the Nationalists were forcing apartheid into every nook and cranny, there was nothing to stop businessmen from paying living wages to their black workers.

Had they done so — and there were union, newspaper and political voices begging and urging them to do so — South Africa would be a very different place today.

Instead, with only few honourable exceptions, businessmen were happy to reap the benefits of the captive labour provided by apartheid and an authoritarian government. They sheltered behind what the nasty government was doing and racked up their glittering profits.

Any attempt to persuade businessmen at that time that they should increase wages was met with the stock reply: "No, first there must be an increase in productivity."

They brushed aside the argument that they were paying workers so badly that there was no chance of extracting more productivity: how could there be when "poverty wages" did not even allow a man to start his day with a decent breakfast?

The standard reply again was: "If we put wages up before productivity we will go out of business."

Time alone has proved the fallaciousness of their stance for who talks like that today?

Even though trade unions for black people were not recognised in law, there was nothing to stop an individual employer agreeing to treat with a union. Only a few did so, however.

The same attitude applied to the training of blacks. Sure the government opposed blacks gaining skills, at least in the urban areas. And sure the white unions often opposed it. But business went along with it meekly. There was little foresight about the future shortage of skills and no thought of what the restrictions were doing to black minds.

Indeed the business community was in general monumentally unconcerned about the debased nature and standard of "Bantu Education": as an illustration, trying to get money out of business people to contribute to the Rand Bursary Fund (which was backed by the Rand Daily Mail) to provide small scholarships to keep youngsters at high school was a grinding, humiliating and largely unsuccessful battle.

The outlook of the business community was (and in many ways still is) evident at the basic consumer level, in dealing with black customers — from the contempt and abuse by small café owners to the profiteering, sharp practices and exploitation by sundry furniture and clothing stores (both small and large).

It has all served to give capitalism a bad name, associating it with racism and financial greed.

Business and the government are communism's best friends in South Africa.

With these thoughts in mind it is easy to be cynically dismissive about the September visit to Lusaka by Anglo American's Gavin Relly. This, after all, is the head of the corporation whose dominant size in the economy has given it the opportunity to show the way in boosting wages and improving working conditions.

If Anglo American companies up and down the country had got away from poverty wages, it would have revolutionised South Africa peacefully. Unfortunately, it did not happen. What we did have, down the years, was a series of fine speeches against apartheid by Relly's predecessor, Harry Oppenheimer.

Despite the lofty pronouncements, Anglo American has not overall got round to taking up the concession by the government allowing mines to depart from the migrant labour system to the extent that up to three percent of black workers can live in married quarters with their families. Nor does it end there, for this is the company, it was revealed last month, which installed pipes for using gas against black miners in case of riots.

Cynicism about Relly's meeting with the African National Congress can go further, for the obvious question is: what dialogue has he undertaken inside South Africa? Which black leaders has he been meeting over the years? And to bring it down to the particular: did he speak to any leaders before his company sacked 14 000 black miners at Vaal Reefs in April?

He is also, incidentally, the person who dealt inter-racial dialogue a heavy blow earlier this year when he gave the final nod to the closing down of the Rand Daily Mail.

The questions about dialogue also apply to his fellow travelers and notably the Nationalist and crypto-Nationalist editors: their newspapers are not known for honest and vigorous exploration of apartheid; nor are these newspapers known for airing the spectrum of black views. So why were they suddenly so anxious to have a meeting of a few hours with the ANC in exile? Was it purely a flashy stunt?

At least the ANC must be grateful because of the additional respectability which the meeting conferred on the organisation in the West.

Cynicism also comes easily about the current hostility of organised business towards the government. Not all that long ago, business leaders were flatly refusing to get involved in "politics." That attitude, of course, began to break down after the "children's revolt" of 1976; a number of businessmen realised then that everything could be going down the drain so they began to undertake practical improvements in areas such as housing and education.

Since then the urgency and breadth of business criticism of apartheid have increased in direct proportion to the scale of the pressures abroad for disinvestment and sanctions allied with the deteriorating situation at home.

The past year has been especially instructive in this regard: it began with Senator Edward Kennedy's visit and anxiety about the support he might give to disinvestment; that led to organised business making its most wide-ranging demands ever to the government, in a statement issued simultaneously with meeting the Senator.

Ye gods, even the Cradock Employers Federation has taken part in the formulation of a seven-point demand to the government which includes a single, equal educational system and concern about army action in townships. That's what the black consumer boycott in the area has brought about.

And even the Financial Mail appears to have ditched its previous stance, a throwback to the late Czar Nicholas II, that the sole concern of business is to make money for shareholders and that it's a near-criminal act to spend money on any wider social concerns.

The collapse of the rand in August was the final straw for many. Assocom, the Federated Chamber of Industries and the Afrikaanse Handelsinstituut are now boots and all into the political arena: it is no longer a matter of speaking in generalities, but they detail the exact political changes they believe are vital, from the scrapping of influx control to power-sharing and negotiations with acknowledged black leaders.

The drop in the rand had an electric effect on the Business Day newspaper; previously cooing at President P.W. Botha, it rushed to damn him and now regularly and hysterically yells for his head. Poor P.W., to have friends like that.

Coincidentally or not, Gary Player has since the rand's crisis condemned apartheid in searing words; it is not known whether he still supports The Citizen. Rabbi Norman Bernhard of Johannesburg's Oxford Synagogue has suddenly presented himself from a public platform as a longstanding foe of apartheid. Rabbi Norman who?

Equally astonishing are those, from government leaders through businessmen, to the Chief Rabbi of Johannesburg, who are not known for having previously expressed concern about the plight of underpaid and unemployed black people...Yet now they are jumping up and down to say how worried they are about the suffering which disinvestment will inflict on blacks.

Something really strange and far-reaching has occurred when people of these various sorts react like this. Will they act in the same way if the rand's value rises by 10 cents? Will they continue to express their concern about apartheid and to press for change if the turbulence in the ghettoes dies out for the moment, or if the disinvestment movement looks like running out of steam?

The cynical questioning is unavoidable, given the track record of those involved. But it should be kept in perspective--for the fact is that more and more people are concerned and frightened and are willing to speak out to do things which they wouldn't have dreamed of doing only a few months ago.

The desperation is inducing courage that wasn't always evident before and is seen in housewives risking imprisonment by refusing to adhere to the pass laws, and an editor defying banning laws.

It even seems to be responsible for reversing attitudes among judges, so that judgments no longer invariably favour the State but reveal a distinct shift towards upholding the rights of the individual.

Of course it would have been more productive to have had the outbursts of demands, dialogue and defiance in the years when it was less fashionable--and perhaps more dangerous--to do and say them. But it is all to the good. We can't afford to knock it, even while being cautious about believing and trusting too much.

It's all to the good. We can't afford to knock it, even while being cautious about believing and trusting too much.

Ultimately, there is marvellous irony to the changes in attitude and action. For what all these various people and groups are doing is to provide proof of what most of them are so anxiously trying to disprove: that pressure works.

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RSA TRUSTS APPEAL AGAINST DISINVESTMENT

Johannesburg BUSINESS DAY in English 24 Dec 85 p 7

[Text]

TRUST companies in South Africa, through their association, have addressed the powerful trust lobby in the United States on why American trustees should set their face against the SA divestment campaign.

In a major article in the October issue in Atlanta of the influential magazine *Trusts and Estates*, James Baigrie of Cape Town, a director of the Association of Trust Companies in SA, stresses the ineffectiveness of disinvestment as a tactic likely to produce change in South African society.

"By divesting from South Africa, American investors will be undermining the very foundations of their power to contribute to social justice in South Africa.

"Instead of leaving a vacuum into which, no doubt, a fair amount of virtually unprincipled international capital will find its way because of profit opportunities, do the facts of the situation not favour American tactics that continue to participate in SA but which demand a steadily higher price in social justice terms for their participation?"

In a foreword to Baigrie's article, association chairman Arthur Skelton says Baigrie presented his analysis in a detached and professional spirit, minimising the impact of his own political views and, in this light, the article could be read as incorporating the association's views. — Sapa.

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AUSTRALIA SEEN GAINING FROM COAL EMBARGOES

Johannesburg BUSINESS DAY in English 23 Dec 85 p 4

[Article by Roy Bennetts]

[Text]

PROSPECTS for the future of the SA coal industry do not look particularly healthy, with foreign embargoes threatening to cut off exports and local price increases falling below the rise in production costs.

Recent cancellations of orders by European customers are seen by coal analysts as being just the tip of the iceberg, with either more nonrenewals to come or a sharp decline in the overseas price paid for SA coal.

Last year, coal sales claimed second spot as an export earner for SA. Gold continued to lead the race at R11.6bn, followed by coal at R1,7bn and diamonds at R518m.

Including local sales, coal production in the year realised R3,4bn. Home delivery of 121-million tons produced revenue of R1 714m, compared with R1 712m from the exportation of 38-million tons.

Since then the rand has continued to plunge against other currencies, providing additional advantages to exporters.

In September 1984, nearly 3,3-million tons were exported for an income of R161,7m. The same month in the current year saw 3,9-million tons shipped — but with revenue almost doubled at R294,4m.

Figures released by the Minerals Bureau show that, for the nine months to end-September, 31,1-million tons were sold abroad for R2 005m, which indicates that SA will sell 41,5-million tons for R2 673,5m in the current year.

Local sales have not enjoyed the same boost. Up to the end of September, 92,3-million tons were bought for R1 419m.

Which, annualised, indicate approximately a repeat of last year's tonnage sold for only a 10% increase in revenue at R1 892m.

Chairman of Duiker Exploration Terence Wilkinson says that the increase in the controlled price of local sold coal [illegible] substantially below the annual rate of the increase in production costs general to the industry.

This he believes does not paint an encouraging picture for coal and anthracite sold on the inland markets.

At present about 50% of SA coal exports are directed at Europe, with the Far East and others buying the remainder.

Denmark is this country's best customer at about 5-million tons a year, but there are grave possibilities that these contracts will be terminated in the near future.

Following the recent ban on SA coal imports by France, Japanese buyers are reported to be pressurising SA coal sellers to reduce prices in the knowledge that beggers cannot be choosers.

Analysts believe that the Japanese are playing a cat-and-mouse game. Although not prepared to join the European countries in cancelling contracts, they realise that, with an over-supply in world production, SA may be forced to sell its export coal at well below the current world market price of about $35 a ton.

This pattern is expected to be repeated by existing European customers, such as Spain and Italy.

While SA possibly ships the highest quality, low sulphur coal at low international prices, world over-supply and political pressures are expected to drastically alter present market trends.

The present world surplus has been prompted by the drop in oil prices, the international fall in electricity consumption and the entry of other coal producers into the market, particularly Columbia.

Analysts claim that such a scenario provides for the possibility of a complete ban on SA coal in the Northern hemisphere, and a take-it-or-leave-it attitude concerning the buying price from Far East importers.

Worldwide production of bituminous (hard) coal and lignite (brown coal) currently exceeds 4 000-million tons, of which the Soviet Union, Eastern Europe, China and other centrally-planned economies contribute around 2 300-million tons a year.

America individually leads the field as a producer, with 807-million tons of hard coal a year, followed by China (772-million tons), the Soviet Union (554-million tons) and Poland (191-million tons).

East Germany produces 296-million tons of brown coal but no hard coal, while the Federal Republic recovers 85-million tons of bituminous and 127-million tons of lignite.

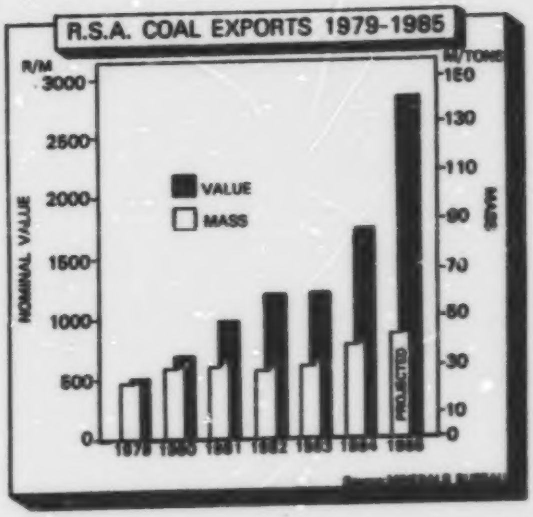
Australia — SA's major competitor as a vendor into Europe and Asia — produces 115-million tons of hard coal and 35-million tons of brown coal.

This is the country that has the most to gain from sanctions against the sale of SA coal.

The coal battle between the two countries centres around the Richards Bay Coal Terminal and the recent New South Wales rail strike that spread into the port loading facilities.

Australia claims that Richards Bay, and its direct rail links with the Natal and Transvaal coalfields, allows SA to underprice its coal sales in the Pacific rim area.

Added to this, the stoppage of supplies to customers, because of the New South Wales rail strike, allowed the Transvaal Coal Owners Association (TCOA) to fill in certain supply gaps and at the same time secure contracts in traditional Australian coal markets.



The present anti-SA pressures have already started to reverse this trend, with the Queensland coal industry claiming to have already gained three new export orders, bringing the total of its client countries to 30.

Coal sales of more than 400 000-tons have recently been made to the Philippines, Hawaii and Sweden by the Queensland coal vendors. The sale to the Philippines is alone said to be worth about A$15m.

Major growth for Queensland has been in the sale of steaming coal, which has increased from 3,47-million tons in 1983 and 1984 to 10,19-million tons in 1985.

Queensland's Minister of Mines and Energy has predicted that by the end of the current year the state would be exporting a composite 50-million tons, making it Australia's leading coal exporter.

In spite of the current surplus, new coal mines are reported to be opening up around the world.

The Soviet Union is known to be in the process of commissioning a massive new mine, and China's An Tai Boa mine is expected to become the world's largest open-pit coal operation with a capacity of 15-million tons a year.

India has discovered new coal deposits stretching for more than 22km in the Godarvari Valley, containing at least seven coal seams. These deposits would add to the country's present yearly production of 148-million tons of hard coal and 6,5-million tons of lignite.

Following its recent year-long coal miners' strike, Britain is gearing its coal production for a re-entry into the export market at a price of $35 a ton.

Many of Britain's older, deep-level mines have already been closed, to be replaced by more cost-efficient operations, such as the Vale of Belvoir and the giant Selby conglomerate, with its planned output of 10-million tons a year.

Recently Britain's National Coal Board announced plans for a new development in south Warwickshire which is expected to cost between £400m and £500m.

With a planned yearly output of 3-million tons, the new pit could become the largest single underground coal mine in Britain.

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BRIEFS

U.S. INVESTMENTS--Earlier this year 284 US companies had direct investment here. Since then 18 have ended or reduced their South African business links. A French fatality, Peugeot, pleaded economic hard times for its recent pull-out, but it is known that the French Government has taken a hard line on trade with South Africa. Direct foreign investment in SA totals about R42 billion. European countries--and especially traditional trading partners--hold by far the bulk of this investment cake, compared to the American slice of 10 percent. But to put it in perspective: this all amounts to only 10 percent of total investment in South Africa. [Text] [Johannesburg THE SUNDAY STAR (Finance) in English 8 Dec 85 p 2] /9317

PETROL'S LEAD CONTENT--The amount of lead in petrol will be reduced from the beginning of next year as a first move towards restoring a healthy environment. South African petrol has one of the highest lead contents in the world at 0,836g a litre. As a result of recommendations by the Department of Mineral and Energy Affairs, in conjunction with the Department of Health, oil companies and the motor industry, lead content will be reduced bo 0,6g/l on January 1 and to 0,4g/l by 1989. Lead is used in petrol because it is the cheapest way to boost octane rating. It is being phased out in America and parts of Europe as a health measure. High octane levels precent pinking, or pre-ignition. Platinum exhaust purifiers or catalysts are unable to operate with leaded petrol. In America all new cars are fitted with catalysts. It is expected that in the next 10 to 15 years cars in South Africa will also have to be fitted with purifiers. To achieve a 0,6g/l lead level, a more sophisticated refining process is needed, and more crude oil will be used. The recommendation to reduce lead content to 0,4g/l which will be put to the Energy Planning Committee in February next year, will result in a fuel price increase. This second stage in the environmental programme will "definitely push up the price of petrol," says Dion Stassen, assistant director of the energy planning division of the Department of Mineral and Energy Affairs. The reduction in lead content to 0,6g/l can be attained by improved refining methods or by the additives. [Text] [Johannesburg SUNDAY TIMES (Business) in English 8 Dec 85 p 3]

IMPACT OF OPEC MOVE--This week's decision by OPEC members to allow the price of crude oil to fall will greatly benefit the world economy, but could prove to be a double edged sword for South Africa, warns Old Mutual's chief economist, Mr Rob Lee. Worldwide interest rates would fall as a result of the price cuts giving economies more scope to grow. However, Mr Lee warned that in the past substantial cuts in the oil price had depressed the long-term dollar price of gold. This trend was already in evidence this week when gold plunged as low as $316 an ounce in London. "I fear that if oil remains low, and the bullion price follows as it has done in the past, then South Africa could emerge as a net loser from the OPEC change of strategy." However, he did not believe the price of crude oil would fall below $20 a barrel as some analysts have predicted. The US Federal Reserve Bank would take the opportunity to reduce interest rates, bringing relief both to Third World debtor nations, and the American banks which had lent so heavily to them, he said. The biggest loser would be Mexico which was entirely dependent on her oil revenues. OPEC's decision would come as a second devastating blow after last month's earthquake, increasing the chances of serious default on her vast foreign debt. [Text] [Cape Town WEEKEND ARGUS in English 14 Dec 85 p 1] /9317

INDIA'S TRADE CLAMP--India's clampdown on secret trade between businessmen in India and South Africa in defiance of an Indian Government ban is "being studied" by an influential former Member of Parliament. Mr Om Prakash Thyagi, MP in the former ruling Janata Party, now in South Africa for the International Aryan League conference in Durban, said he was aware of reports that goods destined for South Africa were being sent from India to other ports in Mozambique and Mauritius, before being diverted to Durban. Mr Thyagi refused to give personal views on the subject, but said he would have discussions with certain influential people such as Prime Minister Rajiv Gandhi, and the Foreign Minister, Mr Baliram Bhagat, on his return to India. [Text] [Durban POST NATAL in English 18-21 Dec 85 p 1] /9317

LABOUR PRODUCTIVITY--Labour productivity is expected to improve by 1,6% in 1986, says National Productivity Institute executive director Jan Visser. The increase, he says, will stem from a 3% improvement in non-agricultural gross domestic product (GDP) output and a 1,4% increase in employment. Labour productivity increased by 0,75% a year from 1970 to 1984 and is expected to show a 1% increase this year. Visser expects productivity of non-labour resources to increase moderately in 1986, particularly fixed capital resources. He bases this on the high levels of spare capacity of all manufacturing industries--particularly non-metallic mineral products and transport equipment--and the view that higher output levels are achievable from existing capital resources when recessionary conditions disappear. Official estimates indicate 2,4-million jobless by 1987, even if the economy can achieve a growth rate of 3.6%. "One of our crucial problems is to control our population growth," he says. "It is a fact that the population growth rate starts to slow down once the population reaches a higher standard of living. "The key to a higher standard of living is higher productivity." Should SA wish to improve its productivity by a moderate 3% a year, says Visser, the average productivity growth of all organisations should be 3% as well. Visser says people often make the mistake of regarding productivity as purely concerned with the better use of labour, whereas it deals with all outputs and all inputs. Productivity gains can be obtained, he says, from the better use of materials and capital. [Text] [Johannesburg BUSINESS DAY in English 24 Dec 85 p 5] /9317

AIRLINE TARIFFS--Airlines' decision to increase freight tariffs for perishable produce by nearly 43% from January 1 has angered produce exporters. The manager of horticultural commodity organisations of the SA Agricultural Union (SAAU) Chris Bezuidenhout says the increases could impede or even jeopardise the activities of some producers. A South African Airways spokesman said yesterday that all airlines carrying export freight had agreed this month to increase rates. The main reason for the increase had been the rand's poor exchange rate. The spokesman added that the increase had been ratified by Transport Affairs Minister Hendrik Schoeman. He said the increases were high because perishable freight tariffs had not kept pace with an 18,65% freight tariff increase on other commodities in October. Bezuidenhout says producers' planning and inputs for the current season have already been completed, based on existing tariffs. He warns the increases could make certain produce uncompetitive on export markets. Because of the limited domestic market, any increase in volumes of produce sold locally could send prices tumbling. Increases to Europe are: Fruit and vegetables, minimum mass 1 000 kg, from R1,40 to R2/kg; Flowers minimum 100 kg, from R2,32 to R3,29; minimum 250 kg, from R1,93 to R2,74; minimum 500 kg, from R1,76 to R2,50. Increases to New York and Montreal are: Fruit and vegetables, minimum 1 000 kg, from R1,40 to R2,50; Flowers, same as European tariff increases. [Text] [Johannesburg BUSINESS DAY in English 24 Dec 85 p 3] /9317

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